

Ola, Uber Can't Charge More than Prescribed Rates: Delhi HC

PTI

New Delhi: The Delhi High Court Monday made it clear to app-based taxi service providers Ola and Uber that they cannot charge customers more than the rates prescribed by the AAP government.

The direction from Justice Manmohan came on the issue of 'surge pricing' resorted to by the app-based taxi services during peak demand, which has been challenged in the court.

The lawyer for ANI Technologies, which runs Ola, told the judge that the firm will not charge beyond the stipulated rates of the Delhi government & that it will be allowed to give discounts to its customers.

The court directed Ola to file its submission along with an affidavit before the next date of hearing on August 9. The lawyers for Uber sought time to seek instruction on whether the company was still charging beyond the prescribed rates.

According to prescribed rates, fares for all types of taxi services are ₹12.50 per km for Economy Radio Taxis, while ₹14 per km and ₹16 per km would be charged by non-AC and AC black and yellow top taxis, respectively.

The notified fare of Radio Taxi cabs (distinguished by an LCD board on roof top displaying "Radio Taxi") is ₹23 per km. Additional night charges (25% of the fare) are applicable between 11 PM and 5 AM.

Uber told the court that the government's 2015 City Taxi scheme does not apply to it and thus, it was not agreeing that the cap prescribed would apply to it. Ola also told the court that it too has raised the plea that the scheme does not apply to it.

Pitch Report

Renault Launches New Top-end Variant of Lodgy

NEW DELHI French carmaker Renault on Monday launched a new top-of-the-line variant of its multi-purpose vehicle Lodgy, called the 'Lodgy World Edition'. The model comes with 25 enhancements to its exteriors and interiors and will be available in both 85 PS and 110 PS variants at an introductory price of ₹9.74 lakh and ₹10.40 lakh, respectively (ex-showroom Delhi).

Volkswagen Begins Deliveries of Ameo in India

NEW DELHI German auto maker Volkswagen on Monday said it has commenced the deliveries of its first sub-4-metre sedan Ameo, in India. The bookings for the car, which would be manufactured at the company's Pune plant, began on May 12. "We are very happy to bring this Made in India and Made for India sedan to our customers now, as we initiate the deliveries," Volkswagen Passenger Cars India director Michael Mayer said in a statement. The new model would compete with the likes of Maruti DZire, Honda Amaze, Hyundai Xcent and Ford Figo Aspire that are priced between ₹5.21 lakh and ₹8.57 lakh (ex-showroom Delhi).

Bajaj V Sales Cross 1-lakh Units in 4 Months of Launch

NEW DELHI Bajaj Auto on Monday said its 150-cc bike Bajaj V has crossed one lakh sales milestone within four months of its launch in the country. The two-wheeler major further plans to hike the production of the bike, which has been crafted from the metal of INS Vikrant, in order to meet demand. "We are ramping up the production by September as we are very positive that these numbers will only continue to grow and sustain the Bajaj V as one of the best selling premium commuter motorcycles in the country," said Eric Vas, president-motorcycles sales, Bajaj Auto. In April, Bajaj V entered the list of top 10 selling motorcycles in India.

LENDERS CLAIM OVER ₹9,000-CRORE DUES

SC Issues Notice to Mallya on Contempt Plea

Show-cause notice came on a petition moved by consortium of lenders to Kingfisher Airlines

Samanwya.Rautray
@timesgroup.com

New Delhi: The Supreme Court on Monday asked United Breweries Chairman Vijay Mallya why he shouldn't be charged with contempt of court for allegedly failing to make a full and fair disclosure of his assets as directed by the court.

The show-cause notice came on a petition moved by a consortium of lenders to Mallya's now-grounded Kingfisher Airlines. The banks claim that he owes them more than ₹9,000 crore. A bench comprising Justices Kurian Joseph and RF Nariman issued the contempt notice after hearing short submissions from the banks through Attorney General Mukul Rohatgi. Mallya has to respond within six weeks.

The Delhi High Court has also asked Mallya to be present in court on

September 9. Under the law, a person facing contempt of court, which carries a jail term of up to six months, has to be personally present in the court during the hearing.

The notice, therefore, bodes ill for Mallya, who left India in early March while the banks were chasing him seeking repayment of loans.

Banks earlier made a bid to get Mallya back to the country through the legal process, when they sought the top court's intervention to have him arrested, after a similar plea was turned down first by the Debts Recovery Tribunal and the Karnataka High Court. There have also been pleas earlier to have him declared as a proclaimed offender and also to secure his personal presence in court, but none has succeeded. Mallya claims that Kingfisher was a genuine business failure and has offered to pay back only a portion of what banks have sought.

The top court had in an order passed on April 24 asked Mallya to disclose the details of his properties — movable, immovable, tangible, intangible, shareholding, etc. — both in India and abroad in his name and in the names of his wife and children.



Not Liable to Repay ₹6k-cr Debt: KFA

BENGALURU Kingfisher Airlines, a holding company of Vijay Mallya, said it is not liable to repay over ₹6,000-crore debt to the consortium of banks as the lenders have breached terms and conditions of Master Debt Restructuring Agreement between both parties, which caused needless damages to the firm's business. — PTI

Myntra to Now Remove 200 Low-selling Brands

Online retailer plans to focus on larger brands with higher traction after pruning 10% of its fashion labels from its portfolio

Sell or Perish

Experts say shedding non-performing brands is a trend that will soon pick up particularly in the fashion industry

Prior to Myntra, Jabong in May had announced a similar delisting, which included nearly three-fourth of its private labels to reposition itself premium lifestyle products retailer

Flipkart-owned Myntra hosts over 2,000 global and domestic brands, and is targeting sales of \$1 billion

The retailer plans to increase revenue from international labels to 15% from 5% of its total revenue in the next 12-18 months

During the evolution period, online players aggressively on-boarded brands and sellers. Now as they are slowly evolving, they are trying to become far more contextual for their consumers

SREEDHAR PRASAD
Partner-
E-commerce,
KPMG

New Delhi: Myntra.com, the country's largest online fashion retailer, is delisting around 200 brands, or about 10% of its fashion offerings, from its platform due to low sales and is focusing on larger brands with higher traction.

"Myntra has a long tail of small brands that are not contributing much in terms of sales. They will focus on bigger brands that will bring more business," said a person familiar with the Bengaluru-based company's plans. "The smaller brands take away your bandwidth, and even if you are not paying for the stocks, you have to have a team managing

them." The person said Myntra will start trimming the last 150-200 lowest selling brands on its platform to begin with, and then may follow it up by pruning more such brands in future. "There are hundreds of brands that sell two to four pieces a day, so you don't want to clutter your site," said a CEO of a large Indian brand that sells on Myntra and who was told by Myntra's top management of the plans to shed smaller brands. "It's a logical step to take," he said, requesting not to be named.

Myntra declined to comment on the matter. Experts said that shedding non-performing, or low-margin brands, is a trend that will soon pick up. While most e-commerce play-

ers are expected to embrace this, quick churns will happen predominantly in the fashion category.

For instance, in May, rival Jabong announced that it will delist several low-margin brands, including three-fourth of its private labels, to reposition itself as a platform for premium lifestyle products.

"During the evolution period, online players aggressively on-boarded brands and sellers. Now as they are slowly evolving, they are trying to become far more contextual for

their consumers," said Sreedhar Prasad, partner-e-commerce at KPMG.

"Further, this step will also have an indirect impact on reducing costs by making better sales for consumers," he said.

Myntra — owned by India's largest e-commerce company Flipkart — is currently hosting more than 2,000 global and domestic brands. The company is targeting sales of \$1 billion and will turn profitable next year.

Myntra also focuses on global brands. Ananth Narayanan, its CEO, had led a team of company officials on a roadshow to Europe and the US earlier this year to attract and enrol international fashion labels on Myntra's platform.

USING FUNDS TO BUILD UP

Total Environment Raises ₹300 cr from HDFC Cap

Realtor to use money to accelerate delivery of five upscale projects in city and Pune

RaviTeja.Sharma
@timesgroup.com

New Delhi: Bengaluru-based builder Total Environment has raised ₹300 crore of long-term equity money from HDFC Capital's new fund that was raised earlier this year and plans to use the money to speed up construction and accelerate delivery of five of its upscale projects in Bengaluru and Pune. Equity transactions are a rare occurrence in Indian real estate. Over the past few years, builders have mostly raised structured debt, which leaves them to grapple with servicing that debt in a market where home sales have slowed down and cash flows are dwindling.

In an equity transaction, however, the investor becomes a partner in the project, remains invested for a longer tenure than in case of debt and also shares the risk. It also helps the builder focus on execution without worrying about a repayment schedule that comes with raising debt. HDFC Capital, a new arm of

Equity Funding

HDFC CAPITAL RECENTLY RAISED ₹2,700 crore from various investors for a new equity fund HDFC Capital Affordable Real Estate Fund-1, which will take equity stakes in mid-income housing projects

THIS INVESTMENT FROM HDFC CAPITAL'S new fund is an equity investment in a special purpose vehicle of Total Environment

HDFC CAPITAL HAS INVESTED WITH Total Environment with an investment horizon of six & a half years

We want to speed up construction of our under-construction projects and accelerate delivery, which is the most important thing in the current market. We sought equity as we did not want to worry about servicing debt on a month-on-month basis

KAMAL SAGAR, MD
Total Environment
Building Systems

HDFC, recently raised ₹2,700 crore from various investors for a new equity fund HDFC Capital Affordable Real Estate Fund-1, which will take equity stakes in mid-income housing projects. It will also look at buying fresh land with developers.

This first investment from HDFC Capital's new fund is an equity investment in a special purpose vehicle of Total Environment which is building the project 'Pursuit of Radical Rhapsody' on 36 acres of land at White-

field in Bengaluru. Kamal Sagar, managing director of Total Environment Building Systems said the company has raised the money to fund construction of five of its projects. "We want to speed up construction of our under-construction projects and accelerate delivery, which is the most important thing in the current market," he said. HDFC Capital did not respond to an email questionnaire sent by ET. "We sought equity as we did not want to worry about

servicing debt on a month-on-month basis," said Sagar.

While the cost of money is certainly higher in an equity deal, the partner too is sharing the risk, Sagar said. "We can put in all the money into construction, including that which comes from sales, without any pressure of repayment schedules," he said.

Ankur Srivastava, chairman of GenRel Property Advisers said investors had started to talk about equity transactions last year and now investments are starting to happen. "Today there are at least half a dozen funds that are looking at equity transactions with a longer term horizon, of up to 10 years, and the top cities," he said.

HDFC Capital has invested with Total Environment with an investment horizon of six and a half years. Separately, Kotak Realty Fund, which has been doing debt transactions with builders so far, is in discussions with some large investors, including sovereign and pension funds, to raise a \$250-350 million equity fund with a tenure of up to eight years.

My Home Group Plans ₹500-cr Startup Fund

CR.Sukumar
@timesgroup.com

Hyderabad: My Home group, Telangana's largest business house, is preparing to set up a ₹500-crore equity fund to invest in startups. "Our boys are keen on setting aside an equity fund and are looking at investing in emerging businesses. We may begin the fund with around ₹100 crore and expand it to around ₹500 crore over the next five years," founder Jupally Rameswar Rao told ET in an interview.

The Hyderabad-headquartered group has interests in real estate, cement and power businesses. Rao said the group has for-

med a dedicated research wing comprising chartered accounts, finance professionals, legal professionals and analysts to explore business opportunities and has already invested in a few.

"The dedicated research and investment team will take up due diligence of startups as well as scaled-up businesses. Pharmaceuticals is one of the areas that we think is worth exploring among the scaled-up businesses," Rao said.

The group, which is currently grooming the new generation of promoters and their business ideas, proposes to invest from this fund in various attractive startups and also in buyouts of scaled-up businesses over the

next five years.

Besides, the group is weighing options to buy stressed infrastructure firms across the country that are on the block. The group firm My Home Cement, where it divested 50% in favour of Irish building materials firm CRH Plc for ₹290 million in 2008, bought ailing Sree Jayayothi Cements from Shreeram group for ₹1,400 crore in 2013.

The group, which has built over 10 million square feet of residential and commercial real estate space since inception, has launched projects spanning nearly 16 million sq ft and involving investments of about ₹5,000 crore that it aims to complete in three years.



Jupally Rameswar Rao

TC Sets Spectrum Usage Charge Floor at 3%

Our Bureau

New Delhi: The Telecom Commission on Monday fixed the weighted average spectrum usage charge (SUC) at a minimum of 3% of revenue, raising the user charge for Reliance Jio Infocomm and Maxis-controlled Aircel, while shooting down the formula proposed by the telecom regulator earlier this month.

"The commission has stuck to its previous recommendation but it has introduced one more element, which is maintaining a floor rate for SUC at 3%," a senior official at the department

THE CALL

Operators such as Airtel, Vodafone, and Idea, who pay a higher SUC, wanted a flat revenue share rate

of telecom (DoT) told ET after the TC's decision.

The Telecom Commission's proposals will be considered by the Cabinet next week. The next round of airwaves auctions, which have been held up over the SUC issue, can take place 45

days after the Cabinet gives its approval.

Reliance Jio, which according to the earlier formula proposed by the Telecom Commission, was to have an SUC outgo of 2.88% of revenue, will now have to pay 3.05%, according to the DoT sources. This fee will be the weighted average for Jio while the telco will continue to pay 1% SUC on the spectrum it won in 2010 auction.

Aircel, which would have to pay 2.83%, will now have to shell out 3%, as per the new formula. Reliance Jio will have to pay an additional 0.5% as it is sharing spectrum of Reliance Communications.

SUC Liabilities		
Operator	Original SUC paid %	New TC formula %
Airtel	4.9%	3.80%
Vodafone	4.80%	4.80%
RJio	2.88%	3.05%
Idea	4.5%	4.5%
Aircel	3.24%	2.83%

Developers Plan to Put Panic Button in Women Safety Apps

App makers in talks with handset cos after govt makes panic buttons in mobiles must from Jan

Muntazir.Abbas@timesinternet.in

New Delhi: App makers are actively discussing integrating their products designed to ensure women's safety into handsets in the wake of the government notification to install panic buttons in all mobile devices from January 2017.

Some of the well-known personal safety apps, including Vithu, Woman Safety Shield, I Feel Safe, Nirbhaya: Be Fearless, I'm Shakti and Secure Her, are compatible with Android OS-based smartphones.

These apps come at a very negligible or zero cost to handset vendors, and can be leveraged with existing hardware modules. Some like handset vendor Karbonn are developing their own women's safety app, while Korean major LG has already unveiled a phone with a panic button.

"We are in advanced talks with few device makers to install the 'I Feel Safe' with a panic button option with some of the device vendors," said Bhawna Kumari, business head at MSAI, adding that the company is running field trials. MSAI provides software solutions and IMEI (International Mobile Equipment Identity) numbers to mobile device makers.

Kumari, however, refused to disclose the names of vendors incorporating such an app, but added that the new bundled devices are likely to hit retail store shelves starting August.

The 'I Feel Safe' app will be available in some of the mobile phone models across 2G, 3G and 4G technologies being launched in the Indian market shortly.

Device makers, according to the executive, are eager to grab the market by demonstrating a user-friendly safety app with the panic button option as a unique business proposition.

As they prepare inventory for the upcoming festival season including the Diwali line-up, they are strategically adopting women safety apps, though most were tight-lipped about their plans.

Samsung, Lenovo, HTC and Intex did not respond to ET's queries while Micromax, Lava and Xiaomi said they will be adhering to the govern-

The New USP

Device makers are eager to grab the market by demonstrating a user-friendly safety app with the panic button option as a unique business proposition

Some of the well-known apps such as Vithu, Woman Safety Shield, I Feel Safe, Nirbhaya: Be Fearless, I'm Shakti and Secure Her, are compatible with Android smartphones

These apps come at a very negligible or zero cost to handset vendors, and can be leveraged with existing hardware modules

'I Feel Safe' app will be available in some of the mobile phone models across 2G, 3G and 4G technologies that are being launched in the Indian market in the immediate term

Some like Karbonn are developing their own women's safety app, while Korean major LG has already unveiled a phone with a panic button

BHAWNA KUMARI
Business Head, MSAI

We are in advanced talks with few device makers to install the 'I Feel Safe' with a panic button option with some of the device vendors

ment mandate to install panic buttons on new handsets.

Karbonn said it is developing an in-house app, which is expected to be pre-installed in some of the new smartphones it rolls out to differentiate them from competitors. "We would be making safety apps available on Karbonn's app store and Android Play Store for easy download by existing customers," a spokesperson said.

Additionally, the device maker will also be pushing safety feature updates over FOTA (firmware over-the-air) to all Karbonn customers. The devices and updates would be launched over the next few months, the company added.

Canara Bank Q1 Profit Halves

Our Bureau

Mumbai: Canara Bank's share rose 5.3% on Monday even though its net profit fell 52% in the first quarter after the government-owned bank booked lower income in lending business and made higher provisions for bad loans.

The bank's net profit stood at ₹229 crore, compared with ₹479 crore in the quarter ended June 2015. Net interest income — the difference between interest paid and earned —

dipped 14% to 8,127 crore in the first quarter of this fiscal. The performance of the current quarter is better than the March one where the bank had reported 3,905 crore net loss on account of asset quality review undertaken by the Reserve Bank of India. The shares of the bank closed at ₹253 a piece, which is 5.3% higher than the previous day's close. Canara Bank's gross non-performing loans inched closer to double digit at 9.70% of the total loans. In absolute terms, it rose 148% to ₹32,334 crore.

Caskful of Cash for a Handful of USL Execs

Sagar Malviya & Sreeradha D Basu

Mumbai: Top managers at the country's largest liquor company, in the news for all the wrong reasons, can't complain about their pay. As many as 52 executives at United Spirits (USL) took home more than ₹1 crore in salary last year, a nearly 50% jump from a year ago, according to company filings.

USL had a few more crorepati than Wipro but less than half of Hindustan Unilever, which had 129 such earners, according to their exchange filings. USL's parent Diageo is looking to attract and retain talent in India as it pushes hard to build up sales and fend off competition in what's

Fat Wallets

52 Eight-digit earners in United Spirits in FY16 versus 34 in FY15

Higher than Wipro's 51 employees but a tad lower than Infosys, which has 54 employees earning over a crore

emerging as a key market, analysts said.

Sales at USL last year were sluggish, up 0.5% at ₹9,379 crore, while EBITDA (earnings before interest, taxes, depreciation and amortisation) rose to ₹957 crore in FY16 from ₹33 crore in the year before.

Both Diageo and USL have alleged that funds were diverted in

past years to entities associated with former chairman Vijay Mallya, sparking inquiries. Mallya, battling banks over loan repayments, has denied any wrongdoing.

Diageo, the maker of Johnnie Walker scotch and Smirnoff vodka, bought a controlling stake in USL from Mallya in July 2013 and later raised its holding to 55%.

Analysts said the increase in salaries could be part of a programme to bring all staff in line with Diageo's global compensation structure. "Liquor is now run as a FMCG (fast-moving consumer goods) business of a product-push model with similar visibility and sales pressure," said Abneesh Roy, senior vice-president at Edelweiss Securities.