Companies

MONDAY, JANUARY 27, 2020

EV BOOST

Shailesh Chandra, president, Tata Motors Electric Mobility Buisness

In case the government extends the FAME incentive to the private segment...it will unleash a different kind of potential for electrification. This is the only missing piece.

Quick View

'Warehousing to add 40 m sq ft in top 8 cities'

AS WAREHOUSING IS fast becoming an integral part of integrated logistics network due to technological advancement and the reform-led policy measures, the sector is expected to add around 40 million sq ft space across the top eight cities this year, according to a study by global property consultant Savills. Warehousing space absorption across eight cities — Mumbai, Pune, Chennai, Bengaluru, Hyderabad, Ahmedabad, Delhi and Kolkata — is expected to rise to 35 million sq ft in 2020.

Solar panel: ITI to invest ₹150 crore to boost capacity

PUBLIC SECTOR ELECTRONICS and telecom gear maker ITI plans around ₹150 crore investment to scale up its solar panel manufacturing capacity to 90 MW in the next fiscal, a top company official said. The company, which plans to raise ₹1,600 crore through an FPO, has a solar panel capacity of 18 MW currently.

Tel Aviv-New Delhi route: Air India doubles flights

IN VIEW OF the increase in passenger traffic on the Tel Aviv-New Delhi sector, Air India will double the number of flights on the route to six per week from April. The national carrier created history by becoming the first commercial flight to fly to Israel over Saudi Arabia and Oman in March 2018, seen by many as a diplomatic breakthrough.

Bharti Realty ties up with Asthetic for ₹350-crore project

BHARTI REALTY HAS tied up with Asthetic Township Developers to build a new commercial project in Gurgaon at an estimated construction cost of ₹350 crore. Asthetic Township Developers owns nearly 3 acres of licensed land parcel in Sector 27, Gurgaon, while Bharti Realty will develop the commercial project under the real estate asset management model.

GyFTR eyes twofold rise in revenue to ₹1,200 cr this fiscal

DIGITAL GIFT CARD firm GyFTR expects to close the current fiscal with a twofold jump in its revenue at ₹1,200 crore on account of companies attempting to retain customers through the loyalty or reward point ecosystem. The firm sees a change in mindset of consumers to present gift cards and vouchers during special occasions instead of cash as another factor that is adding to its growth.

Sarovar Hotels to add 15 properties in India by 2020 end

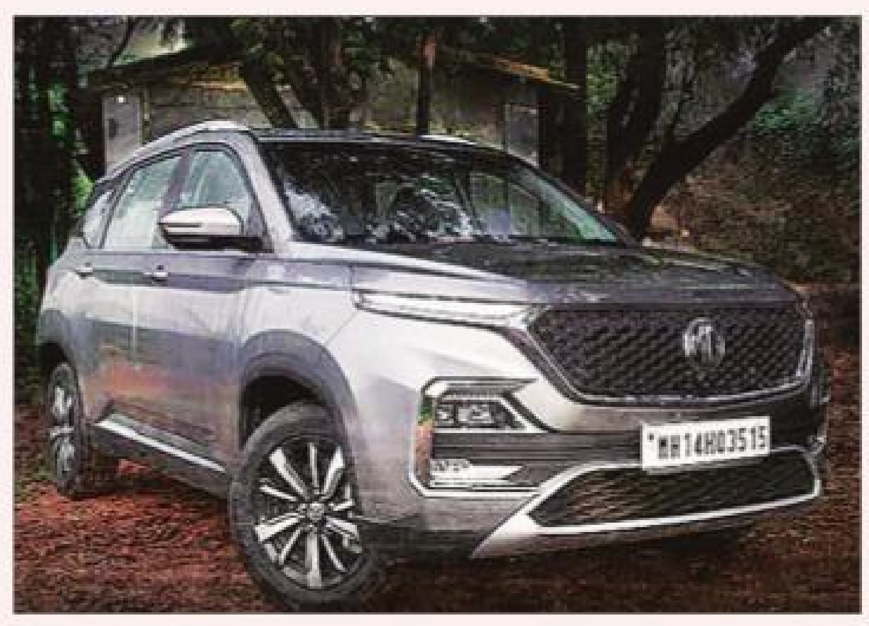
SAROVAR HOTELS AND Resorts is looking to open 15 more properties across India by the end of this year, adding around 900 rooms to its portfolio as part of its expansion plans in the country. The company currently manages 85 hotels with 6,500 rooms in India and three locations overseas.

GOOD RESPONSE

MG Motor India eyes raising SUV Hector production by up to 30%

To review plans for a sub-₹10 lakh EV considering robust response to its pure electric SUV

PRESS TRUST OF INDIA
New Delhi, January 26



MG MOTOR INDIA plans to increase production of its SUV Hector by around 30% after BS-VI emission norms come into effect from April 1, according to a senior company official.

The company, which last week launched the ZS EV, is also set to review plans for a sub-₹10 lakh electric vehicle (EV) considering the robust response to its pure electric SUV. "In case of Hector, we are planning for another ramp up and hopefully that should happen in two-three months' time," MG Motor India president and MD Rajeev Chaba told PTI.

The company has received good response to Hector, its first model in India, and retailed 3,021 units in December 2019. Since its launch in July 2019, the carmaker recorded total sales of 15,930 units of the Hector.

"Right now we are focussing on smooth transition to BS-VI from BS-IV in terms of dealer stock. Based on next two months we will decide but we are thinking that around 3,500 to 4,000 (units) per month of Hector we can do," he said.

The first quarter will take some booking because of the stock adjustment, Chaba said, adding "but from April-May onwards it can be increased to 3,500 to 4,000 per month".

Right now the company is producing around 3,000 units of the Hector from its Halol plant. With over 2,800 orders received for the ZS EV, way above its expectations, MG Motor India is considering to ramp up production of the vehicle to 300 or 400 units a month after three or four months, up from 200 units a month currently.

When asked about the company's plans for the sub-₹10 lakh electric vehicle in the wake of the robust response to ZS EV, Chaba said it "is also an interesting development now".

"I think we are going to review seriously what kind of shape and size, range and price that is needed for next generation EV," he said, adding "one concept will be there at the upcoming Auto Expo but we will modify it based on consumer response".

Elaborating on the though process behind it, he said, "The less than ₹10 lakh EV has to generate interest in millennials and it has to be a very lifestyle kind of EV. So it won't be a normal mainstream design. It has to be different," he said, adding, "We will firm up our plans post Auto Expo depending on the response."

Now, Franklin Templeton MF moves to sidepocket exposure to Voda Idea

PRESS TRUST OF INDIA
New Delhi, January 26

FRANKLIN TEMPLETON MUTUAL Fund, which recently marked down its investment in the securities issued by Vodafone Idea to zero, has said its board has approved the creation of segregated portfolios (or side pockets) to hold these securities in six of its schemes.

The move will help prevent the distressed assets from damaging the returns generated from more liquid and better-performing assets.

The board of trustees of Franklin Templeton MF has approved the creation of segregated portfolios in six schemes — Franklin India Low Duration Fund, Franklin India Dynamic Accrual Fund, Franklin India Credit Risk Fund, Franklin India Short Term Income Plan, Franklin India Ultra Short Bond Fund and Franklin India Income Opportunities Fund.

"With effect from January 24, various securities issued by Vodafone Idea in the schemes will be segregated from the total portfolio," the fund house said in a statement. The decision has been taken in order to protect the value for existing unitholders in these schemes, it added.

Earlier, rating agencies had downgraded the non-convertible debentures (NCDs) of Vodafone Idea to below investment grade.

On January 16, Franklin Templeton, which had an exposure of over ₹2,000 crore to Vodafone Idea in six of its schemes, had marked down its investment in the securities issued by the telecom player to zero. "We would like to reiterate that this fair valuation only reflects the realisable price of the relevant securities on the date of valuation and does not indicate any reduction or write-off of the amount repayable by Vodafone Idea. We continue to engage with the company in the best interest of our investors," the fund house had said.

NTPC may not conclude ₹10k-cr THDCIL, Neepco acquisition this fiscal

PRESS TRUST OF INDIA
New Delhi, January 26

STATE-RUN POWER GIANT NTPC is unlikely to conclude its about ₹10,000-crore acquisition deal to buy the government's stakes in THDC India and North Eastern Electric Power Corporation, according to a source.

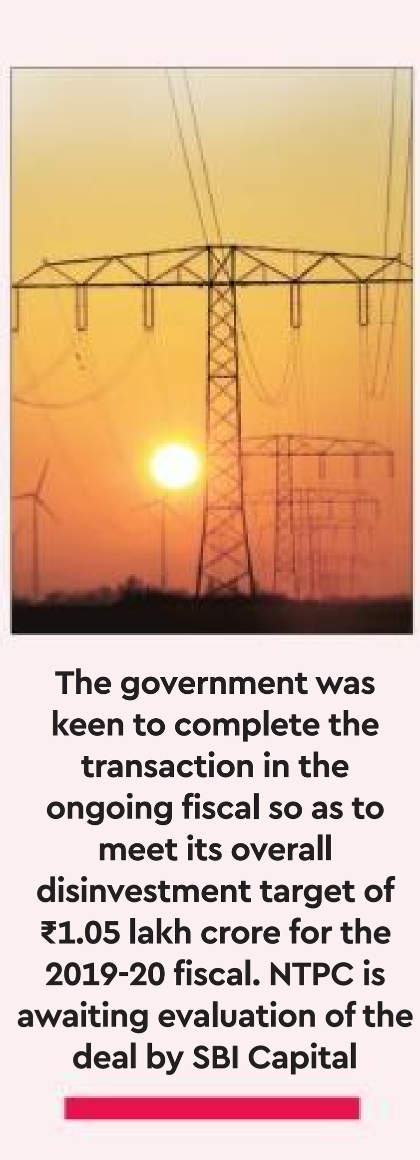
The government was keen to complete the transaction in the ongoing fiscal so as to meet its overall disinvestment target of ₹1.05 lakh crore for the 2019-20 fiscal.

NTPC will not be able to complete the transaction of acquiring government stake in THDC India (THDICL) and North Eastern Electric Power Corporation (Neepco) this fiscal, the source said, adding that the process itself will take couple of months.

The source further said that NTPC is awaiting evaluation of the deal by SBI Capital.

The department of disinvestment and public asset management (Dipam) has engaged RBSA Advisors for evaluating Neepco and Deloitte for THDCIL transactions.

Earlier in November last year, the Cabinet Committee on Economic Affairs (CCEA) had approved a proposal of the finance ministry for divestment of central government stake in THDCIL and Neepco.



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The government of India's shareholding of 74.23% in THDCIL will be divested along with transfer of management control to NTPC.

Similarly, the government's shareholding of 100% in Neepco will be divested along with transfer of management control to NTPC.

According to the company's annual report, NEEPCO's net worth as on March 31, 2019 was ₹6,301.29 crore.

The net worth of THDCIL was ₹9,280.78 crore as on March 31, 2019.

According to Neepco's website, the company operates seven hydro, one solar and three thermal power stations with a combined installed capacity of 1,457 MW.

Neepco also has one 600 MW hydro power project under development. It is scheduled for commissioning in 2019-20 fiscal.

THDCIL's total installed power generation capacity is 1,513 MW. It has two hydro power generating stations — Tehri (4X250 MW) and Koteshwar (4X100 MW) and two operational wind power plants in Gujarat — one at Patan (25X2 MW) and another at Devbhumi Dwarka (30X2.1 MW).

ArcelorMittal South Africa arm heads for huge loss, to cut 1,000 jobs

FAKIR HASSEN
Johannesburg, January 26

ARCELORRMITTAL SOUTH AFRICA (AMSA), a subsidiary of global steel giant ArcelorMittal, has said it would report an about \$2.8-million headline loss for the year ended December 2019, with plans to shed 1,000 jobs finalised as part of its cost-cutting measures. This follows a profit of about \$951 million in 2018.

AMSA had announced plans for a large-scale reorganisation of its plants across the country six months ago. The company had said in November 2019 that it would close down its loss-making Saldanha Works due to various factors, including a global downturn in the steel market and a reduction of the plant's export edge due to high costs of electricity, rail transport and price regulation.

Despite government pleas to reconsider the huge impact this would have on the South African economy, AMSA has announced that the Saldanha Works closure would be finalised in the first quarter of 2020. AMSA, however, said any closure of significant long-steel production units was not on the cards in the foreseeable future. — PTI

UKIBC says e-tail misunderstood, India should welcome investments

PRESS TRUST OF INDIA
New Delhi, January 26

THE INDIAN GOVERNMENT is responsive to concerns expressed by businesses but needs to do more to attract investments into sectors such as e-commerce, the UK India Business Council (UKIBC) has said.

The comments from the lobby grouping come after there was a sharp criticism of Goyal for saying Amazon was not doing India a favour by the investment announcement. India's GDP growth is set to slow to a decadal low of 5% for 2019-20 and all eyes are set on the strategy deployed by the government in the upcoming Budget.

Amazon CEO Jeff Bezos has said the e-commerce major will invest \$1 billion (over ₹7,000 crore) in digitising small and medium businesses in India.

Declining to comment specifically on the impact on investors because of Goyal's comments, UKIBC CEO Richard Heald told PTI here that the e-commerce sector has a tremendous potential, especially for the smaller businesses, who get a platform to sell their wares.

"I am a great fan of e-commerce and I think that e-commerce is misunderstood to a certain extent and it benefits the general public and those people who operate within the supply chain in ways that are not popularly understood," he said.

Heald said Mukesh Ambani-promoted RIL also has plans to enter the e-commerce segment through a different business model and one can have her own preferences on business models.

"Encouraging investments into India is important, encouraging the e-commerce sector is important because it benefits small businesses disproportionately to large businesses," he said, adding that British businesses may not be "startled" at the posturing.

India represents a large opportunity for the British businesses and even a slower 4.8% GDP growth is much faster than what the UK or Europe is witnessing, he said.

When asked if the government is responsive in India, he answered in the affirmative and said, "What I found striking (in conversations with government officials) was that increasingly, it is a two-way dialogue. The Indian government wants to understand and engage, it wants to understand what the operating issues are and get those addressed, positives as well as negatives."

Welcoming the cut in corporate taxes, Heald advocated a relaxation in fiscal deficit targets in the upcoming Budget and added that the UKIBC will keenly watch the narrative on growth being set by the Indian government and look for specific measures on rural poverty alleviation and infrastructure spends.

When asked about social sector troubles experienced in India, which have made billionaire George Soros to speak out at Davos last week, Heald said the UKIBC members will not be too perturbed by those concerns. He reasoned that commercial success is the most important aspect for a business when it makes a call to investment and not other "optics".

"From the business point of view, I am not going to say it (social issues) is not relevant, but not high up the list," he said.

When asked if there is overpessimism about India, he initially said it would be "presumptuous" to say so.

"I have huge admiration for India. Since 1947, you have survived and prospered as a country which is secular, is diverse. Your history is extraordinary. Clearly, there is something that you have to foster and you have to develop," he said.