

LIQUIDITY PRESSURE

Retail PV sales fall 3% in Dec, two-wheeler volumes grow

FE BUREAU
New Delhi, January 8

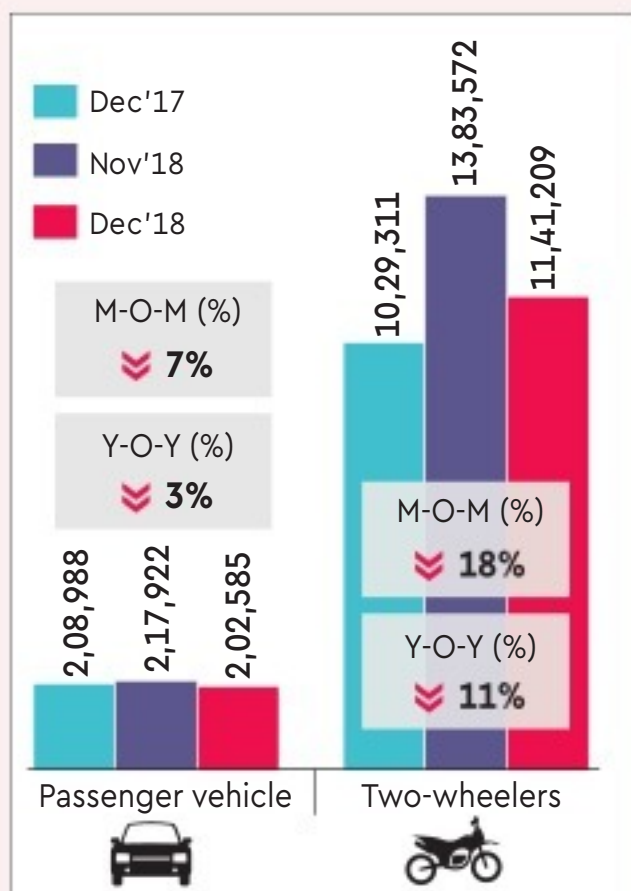
RETAIL PASSENGER VEHICLE sales declined 3% y-o-y in December as high insurance premium and tight liquidity conditions continued to impact the demand for the fifth consecutive month. On a month-on-month basis too, volumes declined 7% to a little over 2 lakh units, data released by the Federation of Automobile Dealers Association (Fada), based on vehicle registrations, showed.

Some analysts had, however, expected that retail sales were not as bad as the wholesale numbers, mainly for Maruti Suzuki India. "Our channel checks suggest that retail sales have been better than expected," analysts at Nomura had said.

According to the data, which were collated in collaboration with the ministry of road transport & highways, vehicle registration during the April-December 2018 period fell 2%. Even as volume demand continue to remain under pressure, Fada said there was a surge in the last 15 days in PV sales, indicating demand uptick.

"Passenger vehicle sales arrest further de-growth as good retail momentum in last 15 days indicates sentiment turning positive," said Fada president Ashish Harsharaj Kale.

Two-wheeler volumes grew 11% y-o-y during December but on a month-on-month basis, it fell 18%, Fada said, adding inventory of two-wheeler dealers still



continue to be very high ranging from 55-60 days.

Sales of motorcycles and scooters suffered a setback after the Supreme Court ordered compulsory five year third-party insurance from September, shooting up the premiums.

As per Fada's earlier findings, registrations of four-wheelers fell 14% in the 42-day period during Dussehra and Diwali, while that of two-wheelers slumped 13%. Wholesales volumes of top 5 carmakers grew only by over two last months, with



Maruti Suzuki and Tata Motors reporting just 1% rise in sales. Mahindra&Mahindra posted a 3% decline while other carmakers including Hyundai and Honda Cars reported low single-digit growth.

Two-wheeler volumes also remained lacklustre with Hero MotoCorp and Royal Enfield posting 4% and 13% y-o-y decline, respectively. TVS Motor Company registered a marginal 1% growth in domestic sales. Bajaj Auto was an exception that reported a 39% y-o-y rise in wholesale volumes, albeit on a low base.

Droom clocks \$1 bn run rate in annual GMV

FE BUREAU
Chennai, January 8

ONLINE AUTOMOBILE MARKETPLACE Droom has strengthened its position as the largest online automobile platform by registering \$1 billion run rate in annual GMV for the year 2018. Droom also registered a net revenue run rate of \$25 million, registering a 147% increment in comparison to the net revenue in 2017.

The company is targeting to double the GMV as well as revenue run rates to \$2 bil-

lion and \$50 million, respectively, in 2019. For which, Droom has already geared up to leave behind the milestones it achieved in the year gone by, and is all positive to achieve even greater success in the upcoming months. Additionally, consumer traffic increased 53% in 2018 – from 248 million to 380 million visitors – compared to the last year, said a press release.

Commenting on the achievement, Sandeep Aggarwal, founder and CEO, Droom, said: "This was our biggest year in terms of scaling our business to new heights

and launching so many innovative products such as Quicksell, Droom Credit, Droom Plus, new vehicles sales and expanding our operations internationally. As we bring synergies to our vast portfolio of products, tools and services, Droom is positioned to deliver hyper-growth for years to come."

While Droom continues to make a strong case for its international operations, especially in the South Asian market through a partnership with brands such as Toyota Group, it is also increasing its internal network of auto dealers.

IPL to stay in India but to start in March this year

PRESS TRUST OF INDIA
New Delhi, January 8

THE INDIAN PREMIER LEAGUE (IPL) will stay in the country despite a speculated clash of dates with the general elections but the glitzy T20 extravaganza will start earlier than usual, from March 23, the Committee of Administrators announced on Tuesday.

The two-member CoA, comprising chairman Vinod Rai and former women's captain Diana Edulji, met here on Tuesday to discuss the venues and window for the league. "We will have all the primary venues backed up by alternate venues in case there is a need to shift matches. This will be done in consultation with central and state government authorities as well as security agencies," Rai said. "The specific reason for having a back-up venue is to ensure that we don't have any issue if there is polling or recounting or PM's rally in any of the states once the election dates are announced," he added.

The last time the IPL started in March was back in 2010. After that, the league has always kicked off in the first half of April and ended in late May. The early start this year is because of the ODI World Cup in England which will get underway from May 30.

Rai said the specific venues and match dates will be worked out later after due consultation with government agencies. "Once we chalk out the itinerary, we will get the dates and venues cleared by various govt agencies," he said.



Tuesday's decision ended months of speculation about the league's venue this year given the possibility of a clash of dates with the Lok Sabha elections, the schedule of which is not yet out. It is learnt that the cash-rich tournament has been kept in the country keeping in view the fact that the elections will be held in phases and it wouldn't be too much of a logistical issue to schedule the games accordingly. "The CoA will have detailed discussion with all the stakeholders before releasing the IPL 2019 schedule," a BCCI statement read.

As per the new BCCI constitution, there has to be a 15-day gap between the end of the IPL and India's international engagements. The IPL has been played outside India twice due to general elections.

In 2009, the edition was moved to South Africa, while in 2014, some games were played in the UAE. That the IPL will stay in the country was first hinted by BCCI officials during the players' auction in Jaipur last month.

Navayuga Engg eyes large power, port and highway projects in India, abroad

BV MAHALAKSHMI
Rajahmundry (Andhra Pradesh), Jan 8

HAVING GAINED EXPERTISE from the Polavaram irrigation project in Andhra Pradesh, Navayuga Engineering Company (NECL) is on the lookout for large engineering infrastructure projects within the country and overseas as well. This includes tunnel, highway, power, hydel and port projects, among others.

"We are on the lookout for large projects. We are participating in tenders in the Jammu and Kashmir and Bhutan. We plan to take up dam and barrage construction as it gives a lot of opportunity for design and development," Sridhar Chinta, managing director at Navayuga Engineering, told FE.

As on date, the company has an order book of projects worth ₹28,000 crore to be executed in the next three to four years. Some of the projects include construction of longest river bridge Dhola-Sadiya, Dibang-Lohit river management system, longest highway tunnel project from Quazigund to Banihal, Krishnapat-

Polavaram: NECL sets world record for concrete pour

NECL ENTERS into Guinness World Record for continuous concrete pour in 24 hours – of 32,315.5 cubic metres and the largest continued concrete pour at the Polavaram irrigation project. Designed to withstand massive floods, the Polavaram spillway is set to have one of the highest discharge capacities in the world. At 50 lakh cusecs, it is set to surpass even the 3 Gorges Dam of China, one of the largest dams in the world that has a discharge capacity of 47 lakh cusecs. The project is a mega landmark with a total of 48 gates spanning 1,119 m. It requires pouring of 36.7 lakh cubic metres of concrete, 50,000 tonne steel and 7,000 tonne cement.

— FE BUREAU

Norway's Equinor looking for long-term oil, renewable partners

SAURABH KUMAR
New Delhi, January 8

NORWAY-BASED ENERGY FIRM Equinor ASA is close to finalising a 'framed' contract with an Indian refiner for long-term supply of crude oil and is likely to appoint a country manager by February. The company is also looking for an Indian partner in the renewable energy space.

India and the rest of Asia increasingly needs to look for stable supplies of crude oil and given the uncertainty over availability of crude, Equinor can mitigate some of the requirement, Tor Martin Anfinnsen, senior vice-president for trading and marketing, Equinor, told FE.

He, however, declined to name the Indian company. "We are discussing long-term contract and have ramped up our supplies in 2018. We expect to increase our supply (to India) from 13.5 million barrels last year," said Anfinnsen, adding that the crude oil deal will be concretised soon.

A 'framed' contract is one wherein buyer and seller can supply or demand, respectively, a certain number of cargoes within a given period of time. In most cases, there is flexibility for both sides.

The deal is coming at a time when India has cut down crude oil imports from its third-largest supplier Iran, owing to sanctions from the US.

Equinor plans to establish an office in India soon and though it will start with less than 15 employees, it will increase the number in case requirement arises, said Anfinnsen, who is in India to attend the India-Norway Business Summit 2019.

Equinor (earlier Statoil) had presence in India through Norway's Norsk Hydro, which had merged its oil and gas operations with Statoil in 2007. Norsk Hydro and Brazil's Petrobras held 10% and 15% stake, respectively, in ONGC's KG-DWN-98/2 block in the Krishna-Godavari basin off the coast of Andhra Pradesh.

However, both the companies quit the partnership in 2010 citing government delays in approving participation in the project. In 2008, Equinor signed a memorandum of understanding with state-run ONGC but no projects materialised



Equinor is engaging with ONGC again

because of the 'above-the-ground risks' in terms of regulations.

"So, while we look at geology and prospects of an area before venturing, we also look at the above-the-ground risks – fiscal and regulatory regime such as whether it will be a market price or a regulated price, among others," said Anfinnsen. According to reports, Equinor is engaging with ONGC again.

"The changes we have seen in the licensing regime, which we consider right step in the direction of putting up a regulatory regime that we can relate to. That makes it easier for us to consider India for investments," he added.

However, the company will like to see if rules for new licences or something similar can be made applicable for existing acreages as well.

Interestingly, petroleum minister Dharmendra Pradhan on Monday said the government is looking to provide fiscal incentives for hydrocarbon fields from the nomination era. The move is likely to benefit ONGC and Oil India.

Offshore wind energy – is also looking for an Indian renewable partner, which can complement its strengths.

"India is an important and growing energy market with prospects along so many dimensions. We are already here in terms of marketing and trading, and consultancy services. But it won't stop here and become more," said Anfinnsen.

With SC nod, Sterlite to move TNPCB for consent

FE BUREAU
Chennai, January 8

ARMED WITH THE Supreme Court's positive order on Tuesday, Vedanta's Sterlite Copper will move to the Tamil Nadu Pollution Control Board (TNPCB) afresh with the request, seeking issuance of 'renewal of consent to operate' in a day or two.

"It is a great order. The SC clearly said that NGT followed all the requisite norms in giving its final verdict. There has been no reason to stay the NGT order. The NGT order to be implemented in toto and hence we will be moving the PCB with the SC order soon," said P Ramnath, CEO, Sterlite Copper.

Speaking to the FE, Ramnath said the three weeks time, set by the NGT to TNPCB to obey its order and issue 'renewal of consent to operate' to the company, is already over and the PCB should have issued us the same. But that did not take place. "Anyhow, we will be moving afresh the PCB with the SC order and we hope the latter will consider and issue the consent order soon," he said.

To a specific question, he said, it is difficult to say at this point of time when the factory will become operational. Even if the PCB issues consent order, it takes us lot of time to set the factory in operational conditional as it was closed for closed almost 10 months now. We have to clear debris and other hazardous materials if any inside the factory.

It may be recalled that earlier this

month, TNPCB informed Vedanta that it cannot consider the latter's request for issue of renewal of consent to operate, authorisation under Hazardous Wastes Rules and opening of the premises for maintenance. Earlier on December 15, 2018, the National Green Tribunal (NGT) set aside the Tamil Nadu government order that directed permanent closure of the group's Sterlite Copper plant at Tuticorin in Tamil Nadu.

The NGT, in its final order, while also quashing the directive of TNPCB for shutting down of the plant, asked the Board to pass fresh order of renewal of consent and authorisation to handle hazardous substances, subject to appropriate conditions for protection of environment, in accordance with law within three weeks from the date of order.

India Gateway Terminal registers CAGR of 13.57%

FE BUREAU
Kochi, January 8

DP WORLD-OPERATED INDIA Gateway Terminal (IGTPL) in Vallarpadam announced on Tuesday that it has delivered a CAGR of 13.57% in the past three years – higher than the three year CAGR of 11.41% registered at all Indian ports.

The transshipment terminal also achieved an annual throughput of more than 574,000 TEUs in 2018 and recorded its all-time highest monthly throughput of more than 52,000 TEUs in March 2018. At present, the terminal

boasts connectivity to Australia, Far-east, South-East Asia, Middle East, Europe and the Mediterranean. With the close proximity of six hours to the hinterland, fast turnaround and increase in the cargo destined for the Far-east and the US market, the terminal is poised to strengthen its connectivity with a direct service in its portfolio, said Praveen Joseph, CEO, DP World Kochin.

In handling the customer's cargo, IGTPL has consistently maintained a high productivity level of Gross Crane Rate (GCR) 31+ moves per hour, considered the best amongst international maritime standards, he said. The installation of the RFID-based automated gate management system has improved truck turnaround time from 27 minutes in 2017 to 23 minutes in 2018.

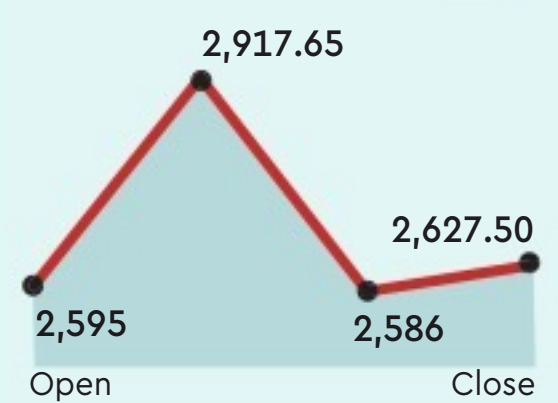
Further, the terminal has strategically aligned its operations to support various government initiatives to facilitate ease of doing business. The implementation of the DMICDC Logistics Data Services digital container tracking solution has boosted efficiency in supply chain operations, he added. DP World sources said that the terminal is working closely with customers in the hinterland of Kerala, Tamil Nadu and Karnataka to provide faster turnaround of cargo. This has benefited local importers and exporters as it reduces the cost of logistics.

The transshipment terminal in Kochi also achieved an annual throughput of more than 574,000 TEUs in 2018

Street Signs

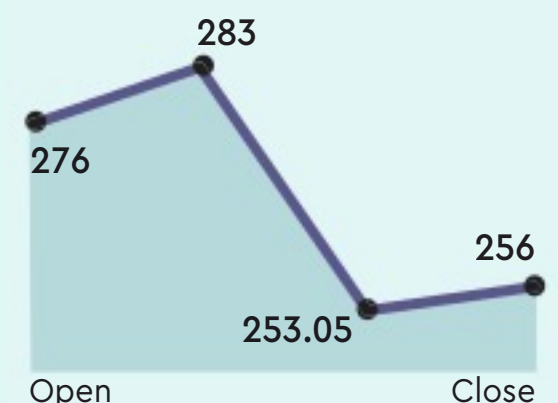
Monsanto India

Stock gains as it wins patent case on GM Cotton seeds in SC **1.78%**



Gruh Finance

Share plunges after merger deal with Bandhan Bank **16.39%**



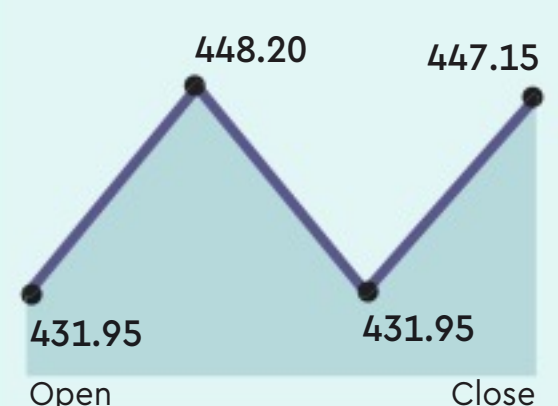
Insecticides India

Scrip rises as it gets patent for Diafenthiuron-Acetamiprid **2.57%**



Sun Pharma

Share surges on buzz of FDA nod for Lurasidone Hydrochloride **3.98%**



Quick View

Sterlite Power bags project in Bengal

STERLITE POWER on Tuesday said it has been awarded a power augmentation project for seven districts in West Bengal. The project will cover districts of Purba Medinipur, Murshidabad, Burdwan, Kolkata, North 24 Parganas, South 24 Parganas and Hooghly. "Sterlite Power has a long association of working in West Bengal. We have been actively engaged in uprating of lines from PGCIL Malda to WBSETCL Malda, Gokarna to Berhampore and Durgapur to Ukhra. Currently, there is a transmission capacity shortage of 150 MW power in the New Kolkata region. The upgraded line will ensure reliable access to power in this part of the region," said Manish Agarwal, CEO. Rapid urbanisation and longer commissioning time of greenfield transmission projects have resulted in more upgrade of projects of existing lines.

ITC, BRTC sign MoU for incense sticks biz

ITC SAID it has inked a pact with Bamboo Research and Training Centre (BRTC) for supply of incense sticks, which would be marketed under its Mangaldeep brand. The Maharashtra-based BRTC will exclusively manufacture and package incense sticks as per the ITC's specifications, it said. "This agreement with BRTC is yet another meaningful step in that direction and aims to enhance the competitiveness of the small-scale and cottage units through our complementary R&D-based product development and strengths in trade marketing and distribution," said Ravi Rayavaram, CEO-agarabatti and matches business.

Workers, police clash at Daikin's Neemrana plant

CLASHES BROKE out at the manufacturing unit of Japanese air conditioner maker Daikin in Rajasthan's Neemrana when protesting workers, supporting the two-day nationwide strike, tried to enter the premises and hoist an union flag, police said. As many as 22 policemen were injured after the workers allegedly threw stones. Police also lobbed 35 tear gas shells.