Tata Motors eyes export of e-buses

The newly launched Ultra Electric bus has a travel range of up to 150 km on a single charge PHOTO: TATA MOTORS

VIRENDRA SINGH RAWAT
Lucknow, 10 February

Tata Motors says it hopes to tap the export market for its newly launched electric buses.

The company has started delivery of these to six different state transport undertakings in India, after winning in competitive tenders.

"We would definitely like to explore the export market, especially the Saarc (Southeast Asian) region," Rohit Srivastava, vice-president and head (buses), tells *Business Standard* here. "We have made huge investments in the development and design of these buses, an indigenous product.

These are being made at the Tata Motors and Tata Marcopolo factories in Dharwad, Karnataka.

On Sunday, the company delivered the first of an order for 40 of these buses to Lucknow City Transport Services. Srivastava says the average price of each is ₹1 crore.

Of tenders floated in 10 cities, Tata Motors had won the bid to supply a total of 255 in six cities — Lucknow, Jammu, Kolkata, Indore, Guwahati and Jaipur, for the respective public transportation agencies. The firm got the contract for supplying 62 of the total bus requirement across these 10 cities.

"We have 51-52 per cent market share of the commercial vehicles space in India and would want to retain this under the electric vehicle category, too," Srivastava says. The tendering process for some more cities is on the anvil. The firm is optimistic on growth prospects in the segment, with the concerns on pollution and energy efficiency.

Their Ultra Electric bus has a travel range of up to 150 km on a single charge. Srivastava says the Li-ion batteries have been placed on the roof, to prevent breakdown due to waterlogging. The batteries are liquid cooled. No gear shifts are needed. Key traction components have been sourced from suppliers in the US, Germany and China. The commercial launch was after testing and validation across states, to establish the performance in diverse terrain, the company says.

HDFC Capital to form 3 investment platforms for affordable housing

RAGHAVENDRA KAMATH
Mumbai, 10 February

HDFC Capital, the real estate fund management arm of HDFC, is looking to form three platform investment deals with property developers for affordable housing, said sources in the know.

Platforms are like joint ventures wherein the partners bring in capital and the developer partner develops projects.

HDFC Capital has in principle agreed to form a platform deal with Mumbai-based Rustomjee and is in talks with two other developers for similar deals, sources said. "They have realised that affordable homes are selling well despite the slowdown. That's why they are looking at tie-ups with serious players," said a source. An email sent to HDFC did not elicit any response.

HDFC Capital has raised over $1 billion from the Abu Dhabi Investment Authority (ADIA), National Investment and Infrastructure Fund (NIIF) and others, said sources in the know.

In February last year, Prestige and HDFC Capital announced a ₹2,500-crore platform to invest in affordable housing projects. A month earlier, HDFC Capital formed a ₹500-crore investment platform with Mahindra Lifespaces.

WHAT'S UP

- HDFC Capital plans to form a platform deal with Mumbai based Rustomjee
- The firm has raised over $1 bn in funds from ADIA), NIIF
- SBI Ventures is also launching a ₹350 cr affordable housing fund
- Nisus Finance is looking to launch a ₹500-cr fund for affordable housing

HDFC Capital formed a similar deal with NCR-based ATS Infrastructure.

While US-based Blackstone recently bought a controlling stake in Aadhar Housing Finance, domestic fund managers are getting into this segment. SBI Ventures, a step-down subsidiary of SBI, is launching a ₹350-crore affordable housing fund. It will target top eight cities in the country.

Another Mumbai-based fund manager, Nisus Finance, is looking to launch a ₹500-crore fund and raise money from domestic institutions and family offices.

The fund manager plans to invest ₹50-60 crore per deal and looking at an internal rate of return of 20-21 per cent, said Amit Goenka, managing director and chief executive, Nisus Finance. "We are focusing on projects that meet PMAY (Pradhan Mantri Awas Yojana) criteria," Goenka said.

In 2015, the Centre announced the credit-linked subsidy scheme (CLSS) under PMAY (Urban), offering an interest subvention of 6.5 per cent on housing loans up to ₹6 lakh for a tenure of 20 years to economically weaker sections (EWS) and low-income groups (LIG).

The scope of the CLSS was widened to include the middle-income category. With effect from January 1, 2017, the MIG scheme was rolled out, with an upfront interest subsidy of upto ₹2.3-2.35 lakh to borrowers, covering two income segments — ₹600,001 to ₹1,200,000 (MIG-I) and ₹1,200,001 to ₹1,800,000 (MIG-II) per annum.

Anuj Puri, chairman at Anarock Property Consultants, said the government was trying to fuel the affordable housing segment by incentivising both supply and demand. According to Anarock research, 38 per cent of the launches between 2013 and 2018 pertained to the affordable segment (units priced less than ₹40 lakh).

"With so much impetus to affordable housing, this segment has seen a better offtake than other segments. Therefore, with an aim to reap returns in this booming phase, many PE funds are looking to launch affordable housing focused funds," Puri said.

'Netflix is inherently a technology firm'

Even as Netflix and Amazon's revenues have grown over 30 per cent, their debts have grown by 50 per cent and more over 2014-18. Apple, Comcast and Disney did much better, with low debt levels and high growth of free cash flow. These were among other insights on the economics of streaming video from the US, China and India shared by **VIVEK COUTO**, executive director, Media Partners Asia (MPA), with **Vanita Kohli-Khandekar**. The Singapore-based MPA researches for and consults with some of the biggest media firms across the Asia-Pacific region and in the US. Edited excerpts:

Key insights from MPA's research?

One, cheap debt and investors focused on growth-based valuations as opposed to profitability has driven the rise of Netflix and, to some extent, Amazon.

Two, YouTube and the potential future Facebook are the biggest disruptive influences in APAC (Asia-Pacific). Neither is aligned to a direct value-accretive content business model. Both are tied to two firms that have enormous scale in Asia today (ex-China) and control an ad spend pie that is far bigger than the consumer subscription pie for video. YouTube has driven engagement in markets and is grabbing a lion's share of ad dollars away from local TV. In India, to some extent Korea and Australia, key local TV players have gone online and wrested back some share, with India probably the most material to date.

Three, Netflix and Amazon are investing a significant amount in local premium and mass content, especially Amazon in India. Apart from Zee, the only other player that's done that has been Star, led by 21st Century Fox. Now, as it becomes part of Disney, it will be interesting to see how it extends that mandate into other parts of Asia as it goes D2C (direct-to-consumer) in key Asian markets and tries to grab a larger share of the advertising market.

Four, technology and storytelling are important. Local IP (intellectual property) and depth is critical, and provides a deep connect for audiences. Engineering the consumer experience of the content is also critical and that's why FANG (Facebook, Amazon, Netflix, Google) has a competitive advantage, while players like Hotstar have invested in tech and research & development.

Advice for Indian OTT players?

OTT or internet TV is a distribution means, just like TV. The key is storytelling and IP; how it translates across online for consumers and advertisers — in entertainment, sports and the tech that drives it and provides the platform for a great consumer experience.

Jet cancels flights due to ops reasons

Crisis-hit Jet Airways Sunday cancelled more than 10 flights due to operational reasons, according to a source.

On February 7, the airline said four of its aircraft have been grounded due to non-payment of lease rentals.

"A few flights of Jet Airways were today cancelled due to operational reasons," an airline spokesperson said.

The source in the aviation industry said that more than 10 flights were cancelled from Mumbai airport alone.

"The airline regrets the inconvenience it caused to its guests. Affected guests have been re-accommodated while those seeking refunds have been compensated as per appropriate guidelines," the spokesperson said.

Faced with acute financial problems, the airline is looking to restructure debt and raise fresh funds. PTI

Marks & Spencer to open six more stores in next 60 days

PRESS TRUST OF INDIA
Mumbai, 10 February

British multinational retailer Marks & Spencer is on an aggressive pace and is opening six more stores in the next two months, a company official has said. Marks & Spencer has opened its first store in 2001. It now has 71 stores in cities like New Delhi, Amritsar, Mumbai, Pune, Kolkata, Bangalore, Chennai, Kochi, Bhopal, Kanpur, Hyderabad and Chandigarh. "India has become increasingly an important market for us. We are now the largest market for M&S outside of our home market. We are 71 stores today and we continue to invest in this market. We opened nine stores in the last six months and it is our intention to open six more in the next 60 days," Marks & Spencer Reliance India Managing Director James Munson said.