QUICKLY

Bliss GVS Pharma unit clears inspection

New Delhi, October 8

Drug firm Bliss GVS Pharma has said its subsidiary Kremoint Pharma has cleared an inspection of its Ambernath facility in Maharashtra by the US health regulator. The inspection by the United States Food and Drug Administration (USFDA) was conducted from June 17-20, Bliss GVS Pharma said in a statement. "The successful audit outcome from USFDA is a reflection of the steady progress that we are making into the mature pharma markets," Bliss GVS Pharma VP-Strategy & Business Development Gagan Harsh Sharma said. PTI

Bloom Energy, EnergyPower tie up

New Delhi, October 8

US-listed Bloom Energy and EnergyPower announced a joint effort to deploy an integrated solution for supplying clean, reliable power generated from municipal and agri waste to local Indian businesses, a company statement said. "Once complete, this project will be Bloom's first commercial scale on-site biogas to electricity project in India," it said.EnergyPower will deploy a new agricultural and municipal waste digester combined with Bloom Energy's solid oxide fuel cell technology to deliver reliable, renewable power to customers in the Shirala district, Maharashtra. PTI

Maruti cuts production for eighth straight month in Sept

PRESS TRUST OF INDIA

New Delhi, October 8

Reeling under a prolonged slowdown, Maruti Suzuki India (MSI) reduced its production by 17.48 per cent in September, the eighth straight month when the country's largest car maker lowered its output.

The company produced a total of 1,32,199 units in September as against 1,60,219 units in the year-ago month

The company produced a total of 1,32,199 units in September as against 1,60,219 units in the year-ago month, Maruti Suzuki India (MSI) said in a regulatory filing. Last month, passenger vehicles production stood at 1,30,264 units as against 1,57,659 units in September 2018, a decline of 17.37 per cent, it added.

Production of mini and compact segment cars, including Alto, New WagonR, Celerio, Ignis, Swift, Baleno and Dzire, was at 98,337 units (1,15,576 units), down 14.91 per cent. Production of utility vehicles such as Vitara Brezza, Ertiga and S-Cross declined 17.05 per cent to 18,435 units as compared with 22,226 units a year ago.

MOTOWN SLOWDOWN

Production of mid-sized sedan Ciaz reduced to 2,350 units (4,739 units) .Light commercial vehicle Super Carry's production came down to 1,935 units (2,560 units), the filing said. In August, the automaker had cut its production by 33.99 per cent at 1,11,370 units.

Tata Motors also reported a 63 per cent drop in production of passenger vehicles in September at 6,976 units as compared to 18,855 units in the same period last year.

All the major automobile makers, including MSI, Hyundai, Mahindra & Mahindra, Tata Motors, Toyota and Honda, have reported double-digit decline in domestic passenger vehicle sales in September as the onset of the festival season failed to lift the ongoing slump in the auto industry.

Auto components supplier Minda Industries to acquire German firm Delvis Gmbh

Enterprise value of the lighting & design company and its two subsidiaries is €21 m

OUR BUREAU

New Delhi, October 8

Auto components supplier Minda Industries Ltd (MIL), part of Uno Minda Group, on Tuesday said it has entered into a definitive agreement with shareholders of German-based Delvis Gmbh, to acquire 100 per cent interest in the company in a multi-million Euro deal.

Delvis Gmbh is an automotive lighting, design and engineering company. The enterprise value of the company, along with its two subsidiaries, Delvis Solution and Delvis Products, is around €21 million, subject to adjustments, if any, at closing, MIL said in a statement.

"The transaction is subject to customary closing conditions and other regulatory approvals. The transaction is expected to be concluded in the next two months. The transaction will be funded by a mix of debt and equity," it said.

The acquisition is part of its strategy to augment/acquire technological capabilities in existing product lines (automotive lighting).

"The automotive lighting industry has seen a major shift in technology with the advent of LED-based lighting products. While the global markets had migrated to LED 8-10 years ago, the India market is now demanding this technology. This acquisition would help us bridge this gap with cutting edge technology that Delvis has to offer to global markets," NK Minda, Chairman and Managing Director, MIL, said.

Delvis works closely with German OEMs (Volkswagen/ Audi/ Porsche) in pre-development activities for high-end platforms.

WeWork India entering Noida

PRESS TRUST OF INDIA

New Delhi, October 8

WeWork India, owned by realty firm Embassy Group, is foraying into Noida market, and has taken on lease over 3 lakh sq ft office space to open three co-working centres comprising nearly 3,900 seats.

Currently, WeWork India has 26 operational co-working centres with 46,000 seating capacity. It has 9 centres in Bengaluru, 10 in Mumbai, 6 in Gurugram and one in Pune where seats are available in a price range of ₹5,000-40,000 per desk per month.

According to sources, WeWork India is now entering into Noida market in a big way and will soon open three new co-working centres with 3,900 seats.

It has taken on lease nearly 1.4 lakh sq ft area from Berger Group, 74,000 sq ft from Logix and around 92,000 sq ft from Advant in Noida for three new facilities, they added.

When contacted, WeWork India spokesperson confirmed that it is entering into Noida market but did not share details.

With $100-m investment, RailYatri to expand inter-city bus service

PRESS TRUST OF INDIA

Kolkata, October 8

Online travel start-up RailYatri plans to expand its 'IntrCity' bus service in the country over the next two years by increasing its fleet to 2,000 from the existing 65 with an investment of up to $100 million, a top official said.

Backed by latest technology, the firm is set to create a multi-modal inter-city transportation solution for at least one-million passengers who fail to get their train tickets confirmed in a day, he said.

"Our brand IntrCity is already operational in 12 cities with a current fleet of 65 buses. We are working to expand fleet size to 2,000 with pan-India connectivity on all the important routes over the next two years.

"With its increased fleet, IntrCity could possibly become the largest intercity bus service brand in the country," RailYatri Chief Business Officer Swapnil Tripathi told PTI over phone.

Modelled on European smart bus service Flixbus, IntrCity is currently operational on limited routes in the North, West and South India, he said.

"We follow asset-light model and all buses have been taken on lease. We have plans to launch IntrCity services in the east in next fiscal," Tripathi said.

Apart from leveraging its online assets, IntrCity is building air-conditioned lounges for passengers with provisions for offline ticket sale.

On funding for the expansion project, he said the start-up has already raised $15 million and another $20-25 million is in the pipeline.

Existing investors of RailYatri include Nandan Nilekani, Omidyar Network, Blume Ventures and Helion Ventures.

Tough motor-vehicle rules see mParivahan riding the digital wave

App sees 1.5 lakh downloads a day on Google Play in September alone

MAMUNI DAS

New Delhi, October 8

Last month, an 'unlikely' app — mParivahan — started trending on Google Play.

mParivahan saw close to 1.5 lakh downloads each day in September. This was surprising because the app had witnessed only as many downloads on a monthly basis till August.

So what changed in a month?

The answer lies in the implementation of the Motor Vehicle (Amendment) Act from September 1, stipulating hefty fines for the non-availability of vehicle- or driver-related documents.

This has resulted in a significant behavioural shift, with more people going for digitised versions of documents such as driving licence and registration certificate (RC).

Digital documents

Here's where mParivahan comes in, helping users store legally acceptable digital versions of their documents.

mParivahan, from the stable of NIC, the IT arm of the government, went live in 2016.

The app is funded by the Road Transport and Highways Ministry.

"From an average of 1.5-2 lakh downloads a month till August 2019, the app is now being downloaded 1-1.5 lakh times a day," Joydeep Shome, Senior Technical Director, NIC, told *BusinessLine*.

Scan & share
https://tinyurl.com/y4l38aym

Shome is part of the NIC team that is implementing this mission mode transport project.

To date, 1.1 crore people have downloaded mParivahan.

Till August, there were about 75 lakh downloads. This means 35 lakh downloads happened in September alone.

More searches

Additionally, more people are searching for their vehicle RC and driving licence details on the app. Transferring the driving licence or RC papers across States or users typically involves a lot of paperwork, which prompts many users not to update details. "User hits on the app — which means people searching for vehicle or licence details — has also gone up sharply. Every day (in September), we see an average of 20 lakh user searches, against the average of 1 lakh daily (till August)," said Shome.

Higher rating

Not just that. In September, the app made it to the list of top free apps. It is also being rated higher by users on Google Play. Last month, 67 per cent of users gave it a 5-star rating, taking its average rating to 4.4 from 3.2 in August. Under the new rules, driving without a licence can attract up to three months imprisonment or a ₹5,000 fine. Jumping a red-light or using a mobile while driving can also result in steep penalties.

Need to regulate diagnostics industry: Metropolis Healthcare MD

MAITRI PORECHA

New Delhi, October 8

There are as many as 1 lakh diagnostic labs in the country but the industry is totally unregulated, said Ameera Shah, Promoter and Managing Director of listed company Metropolis Healthcare. In an interview to *BusinessLine*, Shah stressed on the need for regulation, and highlighted the headwinds the diagnostics industry is facing due to the economic slowdown. Excerpts:

THE BL INTERVIEW

How does lack of regulation in the laboratory and diagnostics industry affect patients?

The diagnostics industry is dominated by about 1,00,000 mom and pop labs which account for 85 per cent of the market in the country. There are only four national labs — Metropolis, Lal's Path Labs, SRL Diagnostics, which is a Fortis company, and Thyrocare. National chains command only 15 per cent of the market. There are 10 regional chains in States. The industry is hundred per cent non-regulated. It affects the patient drastically. The way you collect samples affect the quality of the results. Some labs are run by pathologists and some run by non-medicos who are unqualified. The latter will not have proper machines, they will do things manually, make chemicals in their own lab while we bring them from US-FDA approved suppliers. We see hundreds of patients, who had earlier gone to a smaller labs and later come to us because the doctors don't accept their results. It costs patients double the money. There is no regulatory body, and we will be very happy if the government puts in some regulation. It is scary situation for patients and it is an unfair business environment.

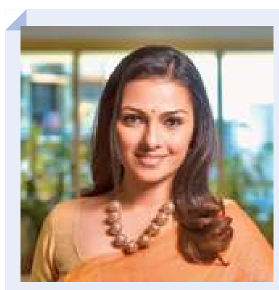
What are the best practices followed internationally for regulating the industry?

India has a problem of oversupply of labs that do not follow standards. But China, which has a population of 1.6 billion (higher than India), has 5,000 labs and they are 100 per cent regulated. We keep lobbying with the government for a policy and ask the Health Ministry to let us be regulated. Right now we are free for all. In the US, there is a separate division under the Health Ministry which sets minimum standards for labs. One has to write to the Ministry to start a lab, comply with minimum standards and get mandatory accreditation.

But at times there is lack of parity in test results even between two national labs?

The results depend on the machine you are using. For example, lab A may have a cholestrol reference rate of 220, while our reference range will be more sensitive at 200. Lets say you get 210, Lab A will say you are normal, but Metropolis would say you are out of range.

While haemoglobin levels for Indian women at 11 to 12 are normal, American standards are 13 to 14. Equipment companies will give reference range based on the global population. We have poured over data of 35 years and created our own reference range.



India has a problem of oversupply of labs that do not follow standards... We keep lobbying with the government for a policy

AMEERA SHAH,
Promoter and MD,
Metropolis Healthcare

How is the competition in the industry?

All national players have different markets and varying models. Metropolis and Lal's do not compete at all in business to consumer (B2C) segment. Lal is very strong in B2C in Delhi NCR and a bit in Kolkata whereas Metropolis is strong on B2C in Mumbai, Surat, Pune, Bengaluru, Chennai, Rajkot and Nasik. Thyrocare, on the other hand does not compete with any major players. While SRL, Metropolis and Lal do between 3,000-4,000 varieties of tests, Thyrocare does only 200.

They have set up franchisees, they go to local labs and say do not do the tests that we do. Just pick them up and send them to us in Navi Mumbai and we will do it for you at cheaper prices. They have built their business on price competitiveness, by making it inexpensive. In the business-to-business segment, they deal with smaller labs not run by pathologists.

How is Metropolis' business doing?

We opened with an issue price of ₹880 apiece and the current average is up by 45 per cent at ₹1,250.

On the business side, growth has been over 18 per cent and we are the fastest growing among all the listed and unlisted players.

Our profit margins are between 27 and 28 per cent and average revenue per sample per test is increasing. We have achieved up to 25 acquisitions in the last 15 years.

But do you see the headwinds due to an uncertain economic environment affecting the diagnostics industry?

There is generally a negative perception in India for all businesses right now. Money is being pulled out by foreign institutional investors and people do not want to invest because they feel there are a lot of changes in the policy. They see growth is falling. Healthcare does not get as badly affected as other consumer markets do, but there is some effect, which happens due to a poor non-growing economy.

Today, a consumer who is thinking of getting his/her preventive check-up done will not go ahead if s/he has no job security.

People also defer their illness checks. During demonetisation, there were people who had to get their knee surgeries, but cash was stuck in the system so they deferred it by four months.

You cannot defer a heart surgery but you can live with the pain of a deferred knee surgery.

Mineral exploration to help improve KIOCL's revenue

OUR BUREAU

Mangaluru, October 8

MV Subba Rao, CMD, KIOCL

KIOCL Ltd (formerly Kudremukh Iron Ore Company Ltd) —which carries out exploration activities for minerals such as chrome, manganese and iron ore — is expecting a revenue of around ₹85 crore from the activities related to mineral exploration.

MV Subba Rao, Chairman and Managing Director of KIOCL, said the company has taken up mineral exploration along with the exploratory drilling work on areas allocated by the Union Ministry of Mines under the NMET (National Mineral Exploration Trust) programme and by the Karnataka government.

Alloted blocks

He said the Central government has given four blocks for mineral exploration. Of these blocks, Udbur block in Mysuru was given to KIOCL for exploring gold and associated minerals.

Due to the low concentration of gold in that block, NMET has advised KIOCL to carry forward the work for exploring nickel and chrome. The company has completed the geographical mapping of chrome in that block. Exploration is pending, he said.

In Tamil Nadu, mapping is completed for manganese and iron ore minerals and exploration is pending, he said.

The company has also been allotted two limestone blocks for exploration in Bagalkot district of Karnataka.

The Karnataka government has given nine blocks for exploration of iron ore and manganese in Ballari, Hospet, Sandur and Chitradurga areas. Works related to detailed geographical mapping are under progress.

Income from operation

To a query on the income from this operation, he said the mineral exploration activity in the 14 blocks allotted by the Central and State governments is likely to contribute about ₹85 crore to the company's revenue.

Rao said the company's work is only to do mapping and exploration. The government will allot the blocks, he added. It may be mentioned here that the Union Ministry of Mines notified KIOCL as mineral exploration entity in 2015.

Trucking industry in need of a lifeline, not just GST rate cut, say players

'Only an all-round recovery of the economy can revive demand'

G BALACHANDAR

Chennai, October 8

Even as the auto industry clamours for fiscal relief in the form of a GST rate cut, truck operators say there is no real benefit from such a move. GST reduction, according them, is akin to giving vitamins to a sector that is desperately in need of a lifeline.

There has been a call to cut the GST rate from 28 per cent to 18 per cent for trucks to jump-start demand.

"There are already huge discounts offered for new trucks," says SP Singh, Convenor of Indian Foundation of Transport Research and Training (IFTRT). The discounts, it is learnt, are in excess of ₹4 lakh in some regions, and still, there are no takers.

"A GST cut now will be a wasteful exercise. Only an all-round recovery in the economy can bring sustainable CV demand," he added.

Hetal Gandhi, Director of Crisil Research, agrees. "Unless fleet utilisation picks up, it is unlikely that a GST rate cut would bring a substantial uptick in demand," she says.

Wider support

The sector is looking at much wider support. "If the current situation continues, the trucking industry will collapse. The government doesn't have any roadmap to revive the industry. First, the industry needs some lifeline and then vitamins could be given. Since more than 80 per cent of the truckers are small operators having 1-5 trucks, the GST rate cut alone won't save the industry," SK Mittal, President, All India Motor Congress (AIMC), told *BusinessLine*.

The CV industry has been facing a severe slowdown with the sale of trucks falling in double digits over the past three quarters

The AIMC had sought some measures to resolve the issues affecting the transport sector. Three meetings have been held with the Finance Ministry and Road Transport and Highways Ministry. Some of the measures sought include reduction in third party premium, solving the ambiguity in calculating tax on empty vehicles, removal of TDS deduction and waiver of TDS on cash withdrawals.

Poor demand

The CV industry has been facing a severe slowdown with the sale of trucks falling in double digits over the past three quarters. During the first half of the current fiscal, the medium and heavy truck market declined by as much as 40 per cent.

Multiple factors have contributed to this situation. Implementation of GST has enhanced efficiencies in the transport system with the turnaround time declining by about 20 per cent.

This, coupled with higher axle load norms for trucks last year, meant that 75 trucks could deliver the freight instead of 100 trucks that were required earlier. Even as the sector was undergoing this transformation, the economy began to slowdown and the availability of freight dropped. Truck operators were left with increased idling of their trucks.

The industry had to deal with another variable — BS-VI norms that are to come into force in April next year. With no sign of economic revival and liquidity issues that the truckers faced in the past months, their hopes of pre-buying of BS-IV vehicles before the new norms come into force also evaporated.

With sales dwindling every month, truck makers have also resorted to production cuts. Despite offering an unprecedented level of discounts, sales continue to be depressing.