Taxi aggregators, self-driving cars to impact Indian auto industry: Goenka

New Delhi, March 5

RISE of taxi aggregators, tougher emission regulations, GST roll out and autonomous driving will majorly impact the Indian auto industry going ahead, according to Mahindra & Mahindra (M&M) managing director Pawan Goenka.

The competitive pressure in the Indian market will also make companies forge alliances as witnessed globally, he said but neither denied nor confirmed speculations on the link-up between M&M and Ford.

Amid the changing scenario, he said M&M is focussing on sustainable mobility, seeking to position itself as a catalyst to popularise electric vehicles in India even as it works to increase its volume, market share, revenue and profit.

"The automotive industry is changing very rapidly in India and there are three-four factors, which are going to have a major impact on the industry in India and globally in the next four to five years," Goenka told PTI.

The factors are ascent of taxi aggregators such as Ola and Uber, tougher regulations on emissions and safety, upcoming GST and autonomous driving will have an impact in long term, he added.

Identifying aggregators such as Ola and Uber to make "perhaps the biggest" impact, he said they are going to "significantly change the dynamics of the industry, and in a way take away power of pricing from OEMs to the customers".

"That's what happens when buyer is stronger than the seller and buyer determines the price," Goenka said.

With India heading towards tougher emission and safety norms, Goenka said vehicles would need to be designed differently and there would be "significant increase in the cost of the vehicle".

From April this year, new models of passenger vehicles in India will have to meet crash test norms necessitating companies to equip them with airbags. While from 2020 the strict BS VI emission norms will be implemented.

On GST, Goenka said he isn't worried about the rates and focus must be on how do GST changes the way firms do business as it will take away the "requirement of companies optimising tax".

"Today those companies who are able to manage taxes better, perhaps, have an upper hand and tomorrow the companies which manage their businesses better will have an upper hand," he added.

Emphasising on the implications, he said: "So that is a very significant change that will happen in the way we set up plants, where we source our components from. How do we store our finished goods, how do we sell finished goods."

On autonomous driving, Goenka said while it looks a little bit away in the timeline horizon, he won't be surprised if it happened sooner contrary to common expectations.

"The reason for that is that we have chaos on our roads because of indisciplined driving. On the other hand a computer would never be indisciplined. So once a driving of disciplined computer comes in, our roads would be much better and much easier to drive on," he said.

As the availability of drivers becomes difficult and more expensive, people would like to have an autonomous or driver less vehicle, he added. Predicting partnerships between companies, Goenka said: "When it comes to competitive scenario, clearly India has a unique situation where almost 88% of the volumes is top three players and there are 15 players taking the rest of the volume, which would mean that these 15 players are not making money."

He further said: "How long can they continue? One doesn't know. So, there will have to be some kind of alliance. Consolidation that's happening globally will have to happen in India and the industry therefore will again change the dynamics."

Goenka, however, neither denied nor confirmed speculations on a link-up between the company and Ford saying at any point of time a company is talking to multiple counterparts for either sharing of platform, production capacity or technology collaboration. *PTI*

Govt may ask SAIL to operate Monnet Ispat till buyer is finalised

New Delhi, March 5: The government is examining the possibility of country's largest steel maker SAIL undertaking 'operation and maintenance' of ailing Monnet Ispat & Energy till the lenders are able to find a buyer for the company.

According to a government official, however, it may not be possible for Steel Authority of India to take over MIEL which is up for sale but it would definitely explore the option of maintaining the steel plant.

The lenders have already sought bids from prospective buyers but have not received good response. Only JSW Steel has expressed keenness to take over MIEL which is facing debt problem.

A consortium led by SBI, sources said, has taken over the debt-ridden company and is looking for a buyer as part of the strategic debt restructuring.

"Recently, it was asked whether SAIL is interested in taking Monnet if bank takes all the equity. Since they (lenders) have got just one bid they are exploring various options. As a result a few days back they also approached the steel ministry," the official said.

"SAIL will not take over. SAIL has not to even buy. It will not even bid. It may just do the operation and maintenance," the official said, adding that "right now they (lenders) have asked the steel ministry whether SAIL can operate and maintain. Banks don't know how to run steel...So it is asking SAIL".

The company had earlier said that discussions with the investor are confined to lenders who own 51% stake, and the management is not involved at this stage.

Monnet Ispat has a derisked business portfolio that encompasses manufacturing and marketing of sponge iron, steel and ferro alloys. The company is also engaged in mining of minerals like coal and iron ore. *PTI*

Defying slump, Flipkart to hire 20-30% more staff in 2017

New Delhi, March 5: E-commerce major Flipkart is looking to hire 20-30% more people in 2017 compared to last year even as rival Snapdeal hands out pink slips to its employees.

The Bengaluru-based firm, which is locked in an intense battle with the US-based Amazon for leadership in the Indian market, will hire most laterals this year.

"Our 2017 hiring plans are calibrated to the growth momentum we are seeing and we expect it to be somewhere around 20-30% higher than last year, spread out as per requirements across verticals," Flipkart COO Nitin Seth told PTI.

He added that a majority of this will likely come in through the lateral route.

"We believe this offers us the right mix of talent needed to power the next phase of growth at Flipkart," he said.

Seth, however, declined to comment on the hiring number this year or in the previous year.

According to sources, Flipkart hired about 1,500 people last year.

Besides, it hired about 10,000 temporary staffers, mostly in logistics, ahead of festive sales to meet the huge jump in demand.

According to research firm RedSeer, the Indian e-tailing industry expanded by merely 12% in 2016 to clock revenues of $14.5 billion compared to a whopping 180% growth in 2015. With raising of fresh funds becoming difficult and markdown in valuations, many of these technology-led businesses are being forced to pare down workforce or shut businesses.

Flipkart itself has seen a mutual fund managed by Morgan Stanley marking down its value for the fifth straight quarter. *PTI*

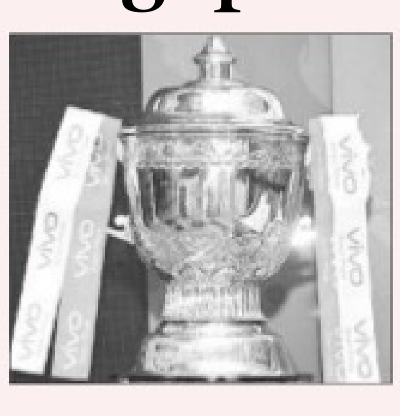
Amazon, Voda, Vivo among sponsors signed for IPL 2017

New Delhi, March 5: Broadcaster Sony Pictures Networks India (SPN) has signed up 11 sponsors, including Amazon and mobile handset maker Vivo, so far as it targets over ₹1,200 crore advertisement revenue from the tenth season of IPL.

The official broadcast partner of IPL is confident that the number of sponsors this year will be more than the last edition of the T20 league.

E-commerce major Amazon, mobile handset maker Vivo and telecom giant Vodafone will be the presenting sponsors, while Ceat, wire-maker Polycab, Yamaha Motorcycles, Vimal Pan Masala, Make-Mytrip, Parle Agro's Frooti, Voltas and Yes Bank are associate sponsors signed up so far.

"Last year we had 12 sponsors, this year we have already got 11. We still have over a month to go, so we will obviously cross 12 this time, which would probably be one of the best seasons that IPL has ever had," SPN President, Network



Sales and International Business, Rohit Gupta told PTI.

In terms of revenue, he said: "Last year it was slightly higher than ₹1,100 crore and a 10% increase is what we are looking for this year."

The tenth season of IPL will kick off on April 5 and the final will be played on May 21.

When asked about advertising rates, he said: "We took a 10% increase this year over last year." The sponsorship packages are between ₹5.65 lakh to ₹5.75 lakh per 10 second, he said.

For HD channel, the spot rates for other advertisers are ₹6 lakh per 10 seconds, while the same for standard definition (SD) channels is ₹2 lakh, he added.

Commenting on advertisement inventories, he said as of now 70% have been sold out and "in the next 10 days we will get around 80-85%".

When asked whether demonetisation has any impact on advertisers' response to IPL, he replied in negative and said: "All the brands which were in IPL earlier have come back and these are from next year budgets because it starts in April." *PTI*

BSE increases annual fee for listed firms for FY18

Mumbai, March 5: Leading stock exchange BSE has hiked its annual fee for companies listed on its platform from the next fiscal beginning April 1.

BSE, which categorises the fees for the companies based on their respective listed capital, has also made changes to various slabs for such payments.

"The exchange has revised its annual listing fees (for 2017-18) to be paid by the listed entities for listing of its securities on the exchange," BSE said in a circular.

"The new annual listing fees would be effective from April 1, 2017," it added.

The bourse has introduced a new slab which provides for companies with capital over ₹3,000 crore to pay an amount of ₹10.20 lakh as annual listing fees. *PTI*

Fashion e-commerce luring customers from 'like' to 'buy'

Ankita Rai

New Delhi, March 5: Even as social networks around the world have been competing to encourage small businesses and introduce commerce features, Indian fashion discovery platforms Wooplr and Roposo are following their successful Chinese peers to add commerce in addition to branding/advertising as a source of revenue.

With the expansion of in-app shopping, social e-commerce is bound to leapfrog in 2017.

In 2016, it is estimated that sales worth around $50 billion were generated using social networks, an increase of $20 billion from the previous year.

No wonder leading social networks like Facebook, Instagram and Pinterest have introduced 'shop now' features. But what distinguishes niche fashion discovery sites in India from deep-pocketed players like Instagram is that they are focusing on monetisation early on.

BRANDWAGON
ON TUESDAY: 'BLENDING SOCIAL INTO FASHION E-TAIL'

Wooplr claims to have positive unit economics on every transaction and charges upward of 20% as commission from brands.

However, it plans to stay away from sponsored posts and banner ads. Instead, it does fashion campaigns with brands. "We worked with brands like Zara and Levi's to launch their new collection and also did a campaign with Forever21 and helped them create the 2016 calendar with 12 influencers," says Wooplr's CEO Arun Zacharia.

The women-centric social buying platform claims to be having 40% month-on-month growth and higher user engagement.

The platform has one million monthly active users and 200 brands on board. It aims to achieve annualised GMV run-rate of $100 million by 2019.

On the revenue front, Roposo has tie-ups with marketplaces and works as an affiliate marketer to e-commerce players like Jabong.

Recently, it also started monetising through its 'chat and buy' feature.

"Brands are approaching us for influencer marketing. To leverage this we recently launched Bizdum to

Can a conversation-to-commerce based business model change the game for fashion e-commerce players

connect brands with influencers for their social reach. This will work as another revenue stream for us," says Mayank Bhangadia, co-founder and CEO, Roposo.

The company plans to reach $100,000/month in the next eight-nine months and break even by mid-next year.

Conversation to commerce (C2C) is the future and that's where social commerce will play a role, says S Swaminathan, CEO and co-founder, Hansa Cequity.

"The C2C social commerce will play a key role in building a tangible business for brands too. That's where the future of brands and commerce is going to be," he sums up.

Cipla to sell animal health business in South Africa

New Delhi, March 5: Pharma firm Cipla on Sunday said it plans to sell its animal health business in South Africa and Sub-Saharan Africa for a consideration of about ₹191 crore.

The company has entered into agreements through its wholly-owned subsidiary Inyanga Trading 386 Proprietary with the group companies of Ascendis Health, Cipla said in a statement.

Under the agreements, Cipla will divest its 100% stake in Cipla Agrimed Proprietary South Africa and Cipla Vet Proprietary, South Africa, it said.

"The total consideration of transaction would be 375 million rand with potential revision linked to FY 2017 performance along with customary adjustment (within the price band of 250 million and 500 million rand) in relation working capital and net debt/cash adjustments," it said.

The deal is subject to customary closing conditions, including approval from competition commission of South Africa and is expected to close in the next three months, it said. *PTI*