

## Hero MotoCorp to focus on BS-VI compliance; will go slow on e-scooters



Hero MotoCorp, the largest two-wheeler manufacturer in India, is going slow on electric scooters for the time being because of various reasons, including the meeting of BS-VI norms, for which it is working on all its products with new specifications and also limited infrastructure for the electric vehicles in the country.

"We do talk about it stating that industry requires,

infrastructure/charging points, legislation and so on, but we don't talk about what customers want. Customer has limited budget so he/she doesn't want to experiment with the hard earned money. They will rather spend that on a Splendor or Maestro," Markus Braunsperger, Chief Technology Officer, told BusinessLine on the sidelines of a new launch here.

He said the combustion engine vehicles have no range anxieties and people know how far they can go and such vehicles cater to the real needs also. For instance, it can carry more people without worrying about the range or speed, which is very limited in an electric vehicle.

Braunsperger added that Hero MotoCorp will launch an electric vehicle in the future and the company is doing research and test runs on various products at its research and development centre at Jaipur.

"We are not talking about a fancy, super premium and high cost. A Tesla approach...for us we are talking about mass mobilisation and mass mobilisation means cost effective, which is acceptable at price too - may be 10-15 per cent from what is available right now (combustion engine)," he said, adding that there is still a long way to go.

The company, which has also taken stakes and invested around Rs. 200 crore in Bengaluru-based Ather Energy, is developing EVs on its own, Braunsperger said. He added that the company is busy working on the BS-VI compliant engines for all its products right now, so there is not much happening around the EVs.

"It (BS-VI) is a huge challenge as it will be a complete upgradation of and it is tough for two-wheelers unlike the four-wheelers and also the supply chain. And, we are challenged a lot than anyone else because we are the biggest manufacturer (of two-wheelers) and we have to do the best," he added.

Hero MotoCorp sells 22 products - 18 motorcycles and four scooters - which are all on BS-IV right now and it has to change them all to BS-VI compliant before the mandatory norms by the government come in April 2019.

## NBFC liquidity crisis pushes up rates for borrowers

The liquidity crisis facing non-bank financial companies (NBFCs) and concerns about higher costs of funds have begun to have an impact on interest rates for borrowers.

Muthoot Fincorp is planning to increase its customer borrowing rate by 25 basis points to 75 basis points.

**Gold loan, MSME sectors**

"Our ability to manage this is much better than a lot of other NBFCs which give longer term loans, such as housing finance companies, or those with exposure to the infrastructure sector," said Vasudevan Ramaswami, Chief Operating Officer, Muthoot Fincorp, adding that the company does not see liquidity problems in the gold loan and MSME sectors.

However, borrowing costs to the sector will depend on the kind of interventions being planned and the amount of funds available, Ramaswami told Line.

"I would anticipate that funding will marginally slow down. We will have to see how that impacts the business cycle," he said, adding that

the company may do some marginal changes in the customer borrowing rate. "It won't be very significant; it will probably be between 25 basis points to 75 basis points," he said.

The company offers a base rate starting at about 18 per cent, which will go down depending on the loan amount and tenor.

Expressing hope that the problems in the sector will be resolved soon, Ramaswami said that the company has not "recalibrated" its growth plan.

"If there is consumer demand but corresponding funding is not there, then there may be a slowdown," he said.

Talking about the company's plans, Ramaswami said that Muthoot, which is the flagship company of the diversified Muthoot Pappachan Group, recently revamped the gold loan portfolio with five new products.

Apart from growing its balancesheet, the company is also focussing on four pillars of transformation to become a fully diversified financial services provider.

## Regional pact, digital tech, investments top agenda of Modi's visit to Japan

Japanese Prime Minister Shinzo Abe is likely to make a case for speedy conclusion of the Regional Comprehensive Economic Cooperation - the ambitious trade pact being negotiated by 16 nations including India and Japan - during Prime Minister Narendra Modi's visit to that country later this month.

Cooperation in the area of digital technology and promoting investments will also be high on the agenda, apart from defence and connectivity, according to officials close to the matter.

"Japan is very keen that the RCEP is concluded soon and important decisions are taken at the RCEP Summit next month to be attended by heads of states of the 16-member countries. The issue is a part of the Japanese PM's agenda for his talks with Modi," a government official told Line.

**Third visit**  
The Indian Prime Minister, who is on his third official visit to Japan since the BJP came to power in 2014, will be in Tokyo

on October 28-29. A large business delegation of about 70 participants, which includes a number of IT companies including representatives from IT-body NASSCOM, is likely to accompany the Prime Minister.

New Delhi does not want to take on any commitments for RCEP - which includes the 10-member ASEAN, China, India, Japan, South Korea, Australia and New Zealand - before the general elections next year, but other members are keen that a 'package of deliverables' is agreed to by the end of 2018.

"Modi will have to make it clear to Abe that India expects a better deal in services before it can give commitments in other areas of the RCEP pact," a Commerce Ministry official said. Promoting two-way investments and inviting Indian cooperation in digital technology will be high on the agenda for Japan, the official said.

The Japan External Trade Organisation (JETRO) and

Nikkei Inc are scheduled to organise two seminars - one each on investments and digitisation - where Modi is scheduled to participate.

"Top Ministers from Japan and representatives from companies, including Suzuki Motors and Nikkei Inc, are scheduled to participate in the two seminars," the first government official said.

Some MoUs to promote investments between the two countries would be signed during the visit, the official added.

The two governments are also expected to announce two agreements on naval cooperation and a concrete infrastructure project to be implemented together in South Asia.

India exported goods worth \$4.7 billion (1.56 per cent of total exports) to Japan in 2017-18 posting an increase of 23 per cent over the previous year. India's imports from Japan were worth \$11 billion posting a 11 per cent growth.

## Reliance to match state-run refiners' Rs. 1 cut in fuel prices

Mukesh Ambani-led Reliance Industries Ltd will "match" the recent Rs. 1 per litre rate cut in petrol and diesel effected by state-run oil marketing companies, to prop up its share in the local market.

This is unlike its stand a few years ago when it shut fuel stations, unable to match and compete with the subsidised rates charged by Indian Oil Corporation, Bharat Petroleum Corporation and Hindustan Petroleum Corporation, which between themselves hold as much as 90 per cent share of fuel retailing in the domestic market. In October 2014, the government deregulated diesel prices (petrol prices were freed in 2010), enabling private refiners such as Reliance to restart pumps and claw its way back into the fuel retail business.

The rate cut effected from October 4 was to check rising fuel pump rates that soared in the backdrop of a rally in global crude prices, raising concerns that it will again create a disparity in pricing of fuels between state-owned and private refiners and clip retail expansion plans in the world's fastest growing energy market.

"Our dependence on retail market for petroleum is obviously small. Around five per cent of our total refinery output goes eventually into the domestic retail market," said V Srikanth, joint chief financial officer at RIL. The rest are exported.

"Does it (the Rs. 1 cut) have an impact on us. Of course, you cannot have two petrol pumps, one selling a rupee below the other; so, you have to effectively match it. But, in a broader sense, I don't think it affects what we are trying to do on the retail expansion. I don't think we are going to let this alter broadly our strategy in terms of what we are doing on the retail side," Srikanth said after the firm announced its second quarter results last week. Assessments on (retail) expansion differ with the

"times", he said, adding it would be difficult to conclude an assessment based on "just one occasion and dramatically alter the course on what we have to do on petroleum expansion".

Srikanth said its plans to open co-branded retail fuel stations along with BP Plc - its partner in the KG basin oil block - was yet to take concrete shape.

"We have signed a memorandum of understanding with BP, but we haven't progressed beyond that, there is no definitive agreement. But overall, we will continue to expand our retail footprint," he said, adding that the recent marketing changes would not change the company's outlook.

"At this point in time, there is no change in time lines and how fast we will grow. I don't think it is on slow track," he added.

Currently, Reliance runs 1,345 retail fuel outlets - including 10-re-commissioned during the July to September quarter - of which 512 are owned by the company. India has 57,312 petrol stations.

During the second quarter of FY19, India's oil product demand grew 2.7 per cent from an year ago.

The growth in petrol was 6.6 per cent while diesel grew 2.8 per cent.

Reliance said its petrol sales in the domestic market grew by 21 per cent and diesel by 8 per cent in the second quarter from a year ago on the back of strong demand for transportation fuel.

**New strategy**

The owner of the world's biggest refining and petrochemicals complex at Jamnagar in Gujarat said it was looking at "strategic initiatives and technology for continuous volume growth".

These include "customised 'state-specific' strategies for improving market share" and roll-out of an automated price engine - a major initiative on dynamic strategic pricing.

## 5G will be a commercial reality in 2019, says Qualcomm

The advent of 5G technology, which is 3-4 times faster than 4G, is expected to be a commercial reality in 2019, with the initial roll-out expected on smartphones and customer premise equipment (CPE). Further, gaining momentum the technology will proliferate into always connected laptops and industrial Internet of Things (IoT).

"5G will be a commercial reality in 2109, with launches in many geographies from the beginning of the year. 5G is the technology to connect everything, every time and we expect a number of generations of Android handsets coming on 5G in 2019," Qualcomm President Cristiano Amon said at the Qualcomm 4G/5G Summit here.

"The first wave of flagship launches is expected by the second quarter of next year," he said, adding a number of companies such as Vodafone, AT&T, Singtel, Verizon and Sprint among others already are working with Qualcomm on the technology.



"We will start with smartphones, always connected laptops and then move to other concepts such as industrial Internet of Things (IIoT). As we head into 2021-22, 5G will also play a role in unlicensed spectrum," Durga Malladi, Senior Vice-President, Engineering and General Manager 4G/5G at Qualcomm, said.

The early adopters of the technology would include North America, South Korea, Europe and China, while India and Latin America are expected to follow. However, Indian roll-out will depend upon spectrum allocations. The countries are likely to roll out Sub-6 and millimetre wave (mmWave) standards. "The device ecosystem is also ready," he

added. Qualcomm is working with Facebook's terragraph technology (for high speed Internet connectivity) and Samsung on small cells, while Qualcomm Technologies and Ericsson completed a 5G New Radio over-the-air call over Sub-6 GHz bands on a smartphone. On Tuesday, Qualcomm launched Snapdragon 675 mobile platform - an upgraded version of its earlier launched Snapdragon 670. The new platform offers improved gaming, artificial intelligence and camera capabilities.

**Snapdragon 675**

"The Snapdragon 675 plays a primary role in allowing original equipment manufacturers (OEMs) to design next generation features with incredible performance into their upcoming smartphones," said Kedar Kondap, Vice-President, Product Management, Qualcomm Technologies.

Qualcomm has announced that it is working with leading original design manufacturers (ODMs) such as Compal Electronics and Longcheer on smartwatches, Huaqin and Thundersoft on 4G kid watches, Franklin Wireless on 4G smart trackers, and Smartcom on 4G connected solutions.

The firm also announced that its Quick Charge technology has been adopted by nearly 1,000 mobile devices and accessories. The technology enables faster charging, improves dual charge and thermal balancing (prevents heating up).

The reporter is in Hong Kong at the invitation of Qualcomm.

## Six-member panel set up to resolve stressed assets

The overseeing committee (OC) that is being set up under the inter-creditor agreement (ICA) for resolution of stressed assets will have six members, including Janki Ballabh (former Chairman, State Bank of India), MBN Rao (former Chairman and Managing Director, Canara Bank), M Damodaran (former Chairman, SEBI) and HR Khan (former Deputy Governor, RBI).

The OC, which is being formed under the aegis of the Indian Banks' Association (IBA), will approve resolution plans for stressed assets submitted by lead lenders. The lead lenders will submit the resolution plan, along with the recommendations of the OC, to all lenders who have provided facilities to a borrower.

The OC also includes a senior Tata Group executive with expertise in the power sector and a Bombay High Court

Judge, said a senior public sector bank official. The banker indicated that the OC could be split into two panels for faster processing of resolution plans.

The Sunil Mehta (Non-Executive Chairman of Punjab National Bank) Committee on restructuring stressed assets and creating more value for public sector banks had suggested the OC mechanism for all corporate borrowers that have taken loans and financial assistance for an amount of Rs. 50 crore or more under consortium lending/multiple banking arrangements.

The OC is being put in place to address concerns among top bankers that their decisions regarding resolution plans could be questioned by the so-called 4Cs - Courts, CVC (Central Vigilance Commission), CBI (Central Bureau of Investigation) and CAG (Comptroller and Auditor General).

## Alibaba aims to set a new high in 11.11 global sale this year

As Indian e-commerce majors rejoice over the five-day festival sales earlier this month that generated around \$2 billion, Chinese e-tailer giant Alibaba is looking forward to surpassing its last year Singles' Day global sale that amassed \$25.3 billion.

The entire size of Indian online retail is projected to touch \$25 billion this year.

Alibaba's 11.11 Global Shopping Festival (earlier known as Singles' Day) is hosted annually on November 11 and is termed the world's largest 24-hour online shopping event in terms of gross merchandise value (GMV).

Kicking off its Global Shopping Festival, Alibaba Group Holding Ltd promised that this year's event will be the largest in terms of scale and reach. Last year, the retailer hit a record \$18 billion in just 13 hours, eclipsing the previous year's record of \$17.8 billion in 24 hours.

Market research experts

attribute the massive growth to retailers competing for a share of consumer spending in China's growing economy. Research firm RedSeer Consulting in its report said, during the five-day festival sales from October 9-14, Indian e-tailers achieved sales of about Rs. 15,000 crore (around \$2 billion), translating to 64 per cent year-on-year growth compared to Rs. 10,325 crore (\$1.4 billion) in 2017. The size of Indian online retail has also grown tremendously, from \$4.5 billion in 2014 (the year of the first festival sale) to \$25 billion projected in 2018.

Alibaba is hoping to surpass \$25-billion figure in a single day, in this year's sale. "This year marks the 10th anniversary of 11.11. On the back of China's explosive digital transformation, the festival's astounding growth over the past decade has powered the steady growth of quality consumption sought by Chinese shoppers. The

evolution also showcases the development of the Alibaba ecosystem well beyond e-commerce," Alibaba Group CEO Daniel Zhang said in a statement.

Zhang conceived 11.11 as a concept a decade ago, turning 'Single's Day' into the world's largest annual shopping event. The first 11.11 in 2009 brought in \$7.8 million in GMV. Total GMV generated in 2017 was \$25.3 billion.

"Over the last two years, we have pioneered the concept of 'new retail' to accelerate digital transformation," Zhang said, adding the firm will continue to be the driving force to innovate for merchants and customers.

Its 'new retail' strategy is the convergence of online and offline retail through technology. The Chinese e-commerce major is building a digital services ecosystem which will enhance customer experience by augmented reality, artificial intelligence and facial recognition.

**SHAH FOODS LIMITED**  
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**NOTICE**  
Notice is hereby given that the 03/2018-19 meeting of the Board of Directors of the Company will be held on Friday, 02/11/2018 at Block No. 453/1, 'CHHATRAL', Kalol-Mehsana Highway, Taluka Kalol, Gandhinagar - 382729 to approve and take on record the un-audited results with limited review certificate for the Quarter and half year ended on 30/09/2018.

By order of the Board of Directors  
Sd/-  
Nirav Shah  
Managing Director  
DIN:01880069

Date : 23/10/2018  
Place : Ahmedabad

**DYNAMIC INDUSTRIES LIMITED**  
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**NOTICE**  
Pursuant to Regulation 47(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Notice is hereby given that meeting of Board of Directors of the Company is scheduled on Friday, 2nd November, 2018 at 5:00 P.M. at the registered office of the Company, inter-alia to consider and approve Unaudited Standalone Financial Statements for the quarter and half year ended on 30th September, 2018. Further Details will be available at company's website [http://dynaind.com/investors\\_zone.html](http://dynaind.com/investors_zone.html) and on BSE's website <https://beta.bseindia.com/stock-share-price/dynamic-industries-ltd/dynaind/524818/>

By Order of the Board  
Sd/-  
Ganesh Temkar  
Company Secretary

Date : 24th October, 2018  
Place : Ahmedabad