

US LARGEST MARKET FOR SELLERS

Exporters get boost from Amazon; \$8 bn biz seen by year end

Target is to touch \$20 bn in exports by 2025: Amazon India

AYANTI BERA Bengaluru, November 9

EXPORTERS ON AMAZON are on track to touch \$8 billion in cumulative exports by the end of this year, compared to \$5 billion last year, on the back of rising global demand of their products during the holiday season.

"We started the Amazon Global Selling programme with about 100 sellers in 2015 and now we have about 125,000 sellers and have stated a goal of \$20 billion in cumulative export by 2025," said Bhupen Wakankar, director, Global Trade, Amazon India, in an interaction with FE.

Indian exports have launched over 50,000 products in the lead up to the sale between November 17-27 this year, the company said.

"The US is the largest market for Indian sellers, largely because Amazon is an American company and a large part of its revenue is also from the US," Wakankar noted.

Products in categories such

HOLIDAY SPIRIT

Exporters are set to touch \$8 bn in exports by the year end, up from \$5 bn last year

Holidays such as Halloween, Thanksgiving, Black Friday, Cyber Monday, Christmas, and New Year drive most Indian exports to the US, UK, Canada, Australia, and Germany

as home and kitchen, furniture, apparels, toys, beauty and personal care, books, groceries, luggage, leather goods, and home improvement are among the highest exported products so far this year.

"Both Japan and Australia emerged as new high growth destinations for Indian exporters with sellers witnessing nearly 200% YoY growth during the two days of the sale," the company said, adding that the top selling products during this sale were bedsheets, scrub apparel sets, oral care products,

rugs and kitchen products. To attract more Indian exporters to the platform for the holiday season, Amazon has slashed the subscription fees for its global selling programme from \$1.20 to \$1 for the first three months for exporters signing up before March 31.

However, logistics cost still remains a pain point for Indian exporters as cross-border shipping charges are a big chunk of the cost for mid-to-small sized businesses.

To streamline negotiations with cross-border freight carriers, Amazon had launched a logistics programme last year that offered air carrier services for small parcels and now plans to expand that service to include ocean freight as well.

— PTI



The US is the largest market for Indian sellers, while Japan and Australia emerged as new markets

Categories like toys, home and kitchen, furniture, personal care, books, groceries, were among top exported items

Costlier LNG, EVs: Gas distributors may feel the heat

ARUNIMA BHARADWAJ November 8, New Delhi

LEADING GAS DISTRIBUTION companies delivered a robust performance in the quarter ended September, compared to the year-ago period, primarily as their sales volumes increased on par with analysts' expectations except for Gujarat Gas. However, revenue growth for majority of these companies fell on the back of low and volatile gas prices last quarter.

While net profit for the city gas distribution companies - Indraprastha Gas and Mahanagar Gas - was up due to a rise in the sales volume, GAIL benefitted from higher transmissions this quarter.

The cumulative consolidated net profit of three major gas distribution companies - Mahanagar Gas, Indraprastha Gas, and GAIL rose 57.8% to ₹3,629.6 crore from the corresponding period last year. Mahanagar Gas reported the highest net profit of ₹339 crore, up by 106%. However, of all the companies, Gujarat Gas reported a fall of 27% to ₹296 crore due to a decline in its revenue from operations.

Sequentially, net profit of all the gas distribution companies went up except Mahanagar Gas whose profit fell by 8% from the previous quarter.

Analysts had projected higher earnings for the CGD companies on falling LNG (Liquefied Natural Gas) cost and higher PNG (Piped Natural Gas) realisation with a strong volume growth of 5-6% on year as the companies realise the benefit of implementation of KPC recommendation.

According to the results, IGL's total sales volume for the July-September quarter rose to 763.80 mmscm from 744.17 mmscm from the corresponding period last year. MGL, too, reported an increase of 5.2% in its sales of CNG and 7.8% in its PNG sales in Q2FY24 compared with last year.

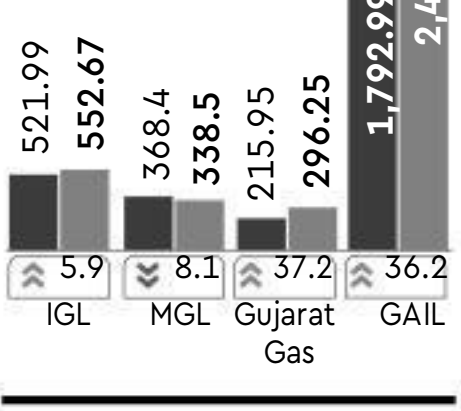
During the quarter, natural gas transmission volume of GAIL stood at 120.31 mmscmd as against 116.33 mmscmd in the previous



Report card

Consolidated net profit (₹ cr) Q1 FY24 Q2 FY24

Change (%)



quarter.

Even as the net profit got a boost from the increase in sales, the aggregate revenue from operations of these companies fell by 12% to ₹42,592.3 crore in Q2FY24 due to low prices of gas.

The revenue from operations of the country's top distributor and transmitter of natural gas, GAIL India, witnessed the largest fall of 15% to ₹3,049.68 crore in the three months ended September, while revenue of Mahanagar Gas largely remained unchanged at ₹1,728.94 crore.

Moreover, Ebitda margin for all the gas distribution companies except Gujarat Gas improved in the quarter under review, also boosted by a growth in the sales volume.

IGL's EBITDA rose by 25% to ₹656.94 crore in Q2FY24, compared with ₹527.52 crore in Q2FY23. GAIL, too, reported a 43.5% rise in its EBITDA at ₹3,492 crore. Gujarat Gas, on the contrary, came in lower at ₹661.77 crore, down by 20.7% from the corresponding period last year.

FROM THE FRONT PAGE

Electric vehicle import duty reduction in the works

In India's cost-conscious market, the country's best-selling electric car, Tata Motors's Nexon.ev, is priced at less than ₹1.5 million (\$18,000). German luxury automakers BMW, Mercedes-Benz Group and Volkswagen's Audi sell electric cars above \$80,000 in India.

Modi's government is trading cautiously on the EV imports as it seeks to build a domestic manufacturing industry for electric vehicles and parts. The government in 2021 announced a \$3.1 billion production-linked incentive program for local EV production.



A final decision on India's position on import duties on EVs has yet to be made, according to people familiar with the discussions.

India and the UK had already softened their position on a number of issues, including reducing tariffs on

British cars and scotch whisky, Bloomberg News previously reported.

The two countries expect the free trade deal would double bilateral trade by 2030 through lower tariffs and increased market access. It would also be a political win for both leaders, with the UK-India pact seen as a key prize of Brexit and a way to boost India's manufacturing ambitions.

India imposes a range of import duties on cars. For vehicles purchased from overseas unassembled, the tax ranges from 15% to 35%. — BLOOMBERG

Destination BKC for top global brands

"There are two or three factors that work in BKC's favour," he says. "It is an office destination where lakhs of people troop into work. The first ancillary industry that has developed as a result of this huge captive base within BKC is food. That explains the F&B hub that BKC has become over the last few years," Dunganwal says.

The second aspect, he explains, is the socio-cultural and leisure hub that BKC has become. A cultural centre (Nita Mukesh Ambani Cultural Centre) coupled with a convention centre (Jio World Centre) as well as five-star hotels (Trident and Sofitel) for events, summits, conferences and festivals, not to mention shopping malls and multiplexes (PVR), ensure there are no dearth of options when it comes to spending time at BKC.

"Bandra-Kurla Complex has a great geographical advantage with it being strategically located in the heart of the city. BKC also enjoys great connectivity with South & Central Mumbai. With the Metro lines coming up it will become easier to commute to the Western belt, not to mention that the consumer base coming into BKC is also premium," Prateek Misra, head of luxury, F&B, retail & leisure advisory services, India at consultancy JLL, says.

BKC also continues to attract

top office deals, with the per sq ft lease rent pegged at ₹300-500, according to real estate experts, higher than the roughly ₹200-250 per sq ft that places such as Lower Parel and Worli attract within Mumbai.

"BKC is a prime office destination. The professionals who therefore get into BKC have the discretionary power to spend time and money at the best restaurants and malls," Mukesh Kumar, MD and CEO, Quest Properties India and chairman of the Shopping Centres Association of India (SCAI), said.

Last week, streaming major Netflix renewed its lease agreement for commercial space measuring 1.37 lakh sq ft in Godrej BKC for a monthly rent of ₹4.28 crore or ₹313 per sq ft, joining the likes of LinkedIn, Bank of China and Hinduja Realty, who've also leased commercial space in the area over the last few months.

Retail and F&B brands have invariably followed this crowd, real estate consultancy CBRE South Asia said in its recent 'India Market Monitor Q3 2023', adding that retail leasing activity had witnessed a 46% y-o-y growth in the January-September period this year, led by the top 8 cities including Mumbai, which was seeing hectic leasing activity in places such as BKC.

For instance, Christian Dior and Louis Vuitton have leased two units at the Jio World Plaza in BKC for a starting monthly rent of ₹21.56 lakh each. Most other top brands in Jio World

Plaza, which is an exclusive luxury shopping destination, have similar lease agreements, executives in the know said, with rentals likely to escalate in the future.

Apple, meanwhile, is paying a monthly rent of ₹42 lakh for its 22,000-sq ft property at the Jio World Drive, with an in-built escalation clause of 15% every three years. The deal also includes a revenue share component, where Apple has to pay 2% of its revenue for 36 months, and 2.5% thereafter, according to real estate platform Propstack.

11 firms ride the market wave to join ₹1-trn m-cap club

Pandey believes that more companies will join the ₹1 trillion m-cap group betting on India's growth story since India is one of the few markets where the five-to-seven year growth looks quite robust with sound macros and should get reflected in top tier-1 companies because these companies are expected to deliver better than the GDP growth rate.

The top 10 companies by m-cap are Reliance Industries (₹15.81 trillion), followed by Tata Consultancy Services (₹12.37 trillion) and HDFC Bank (₹11.32 trillion). The total m-cap on the BSE rose by ₹62.3 trillion or 24% to ₹320.5 trillion since March 31, 2023.

Raymond Q2 net profit at ₹161 crore

DIVERSIFIED GROUP RAYMOND Ltd on Tuesday said its net profit was almost flat at ₹161.16 crore in the second quarter ended September 2023. It had reported a net profit of ₹161.95 crore in the July-September quarter a year ago, according to a regulatory

filing from the leading textile and apparel maker. Its revenue from operations rose 3.92% to ₹2,253.40 crore during the quarter under review as against ₹2,168.24 crore in the year-ago period.

Total expenses of the Singhanian family-controlled firm

in the September quarter were at ₹2,093.41 crore, up 7.12%. "Raymond continues to attest its growth momentum with strong q-o-q performance and Q2FY24 was the 9th consecutive quarter that reported highest ever performance," the company said. — PTI

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Extract of UnAudited Financial Results for the Quarter and Half Year Ended September 30, 2023. Standalone and Consolidated financial data table.