



SIPNA BUSINESS INSIGHT

Quarterly Newsletter | Issue , Feb 2021 |

EDITORIAL BOARD

Chief Editors:

- Dr. M.D. Jadhav
- Dr. P. A. Gadve

Chief Editors:

- Ashish Kukreja

Student Editors:

- Tejas Hade
- Prince Agnani
- Shubham Giri
- Rushikesh Tikhile
- Tushar Kamble
- Sahil Pamnani
- Yugandhara Bobade
- Yash Kothari

INDEX

- Honda Motorcycle sales rise 8% to 4,37,183 units in January
- Ambuja Cement commences sea trials with bio fuels to bring down carbon emissions.
- MG Motor drives in updated ZS EV with price starting at Rs 20.99 lakh.
- CEAT ropes in Rana Daggubati as brand ambassador for a new range of bike tyres.
- Mercedes-Benz Headphones review: Sound drive, comfortable.
- Hold City Union Bank, target price Rs 190: ICICI Securities
- Epic Games takes Apple fight to EU antitrust Regulators
- Stress in retail loans of banks may triple by FY22 end: Ind-Ra

VISION OF INSTITUTE

To provide quality professional education and conducive environment to students to emerge as a model proficient institute.

VISION OF DEPARTMENT

To be a prominent management department in the region by imparting quality professional education for creating reputed managers and entrepreneurs.

MISSION OF INSTITUTE

- To create scholarly and vibrant environment for professional excellence
- To contribute to advancement of knowledge in basic and applied areas of engineering and technology.
- To be an institute of choice in the region by developing, managing and transferring contemporary technologies.
- To build mutually valuable terms with industry, society and alumni.

MISSION OF DEPARTMENT

- To deliver quality education towards professional excellence.
- To expand the fundamental concepts, analytical and problem-solving competency of students.
- To provide contemporary learning environment that emphasizes managerial expertise in communication, teamwork, leadership, employability, and entrepreneurial skills.
- To prepare students with positive professional attitude and ethical values with spirit of social commitment.

DISCLAIMER:

All the information published in the "Sipna Business Insight" newsletter is collected from authorized and authenticated sources and used for academic purposes only.



Honda Motorcycle sales rise 8% to 4,37,183 units in January - Tejas Hade

New Delhi: Honda Motorcycle & Scooter India posted an 8 percent increase in total sales at 4,37,183 units in January. The company had sold a total of 4,03,406 two-wheelers in the same month last year, Honda Motorcycle & Scooter India (HMSI) said in a statement.

Domestic sales witnessed an 11 percent increase at 4,16,716 units in January, as against 3,74,091 units in the same month last year, it added.

Commenting on the sales performance, HMSI Director Sales & Marketing Yadvinder Singh Guleria said the company has entered 2021 with a double-digit growth adding the maximum incremental volumes to the industry.

“While we do foresee the low base effect to remain in play till the end of Q4 and continue into Q1 of FY22; we are hopeful that colleges reopening, ongoing COVID vaccination drive and stronger urban demand will act as a tailwind for domestic two-wheeler demand recovery moving ahead,” he added.

Adding to this, the higher Capex allocation on infrastructure development, new health infrastructure push, increased crop procurement payment to farmers and new scrappage policy in the Budget 2021 can boost sentiments further, Guleria added.

“Overall, we are excited for 2021 as the stage is set for the launch of another new model from Honda this month,” he said.

Ambuja Cement commences sea trials with bio fuels to bring down carbon emissions.

- Prince Agnani

Mumbai: Ambuja Cement, owned by Swiss group LafargeHolcim on Friday announced commencing sea trials for using biofuels in its fleet of captive ships, Ambuja Mukund, a move which is estimated to reduce carbon emission by around 25%.

“With the introduction of biodiesel blends, we are significantly contributing towards the reduction of GHG emissions by introducing a suitable alternate green fuel that helps achieve our parent, LafargeHolcim’s sustainability vision of net zero pledge 2030,” said the managing director of Ambuja Cement, Neeraj Akhoury.

Ambuja has received approvals to conduct this sea trial from the Directorate General of Shipping (DGS) and the Indian Register of Shipping (IRS), thus marking a new chapter in Indian coastal shipping.

In December 2020, Ambuja Cement along with ACC Ltd said in a joint statement that they will make investments worth over Rs 780 crore at their plants to reduce carbon dioxide emissions. The companies would be investing in green power generation that will help reduce the carbon footprint, the company’s statement said.

These developments are part of the parent company LafargeHolcim signing the Net Zero Pledge with 2030 science-based targets during the Climate Week held in September 2020, as per the statement.

In 1992, Ambuja kick-started transportation of bulk cement by coastal shipping as the best mode of sustainable transport amongst all other modes of transport as well as the most cost-effective way.

“The company was also the first to introduce Shore Power Supply to all her ships at the captive jetties,” the company said in a media statement.

The Company was awarded 5th rank in 2020 by the Dow Jones sustainability index where Ambuja was the only Indian cement company that featured in this ranking, the statement said.



MG Motor drives in updated ZS EV with price starting at Rs 20.99 lakh:

- Shubham Giri

NEW DELHI: MG Motor India on Monday said it has launched an updated version of ZS EV in the country with a price starting at Rs 20.99 lakh (ex-showroom, Delhi).

The 2021 version of the electric vehicle now comes with a 44.5 kWh battery and has a certified range of 419 km. It also comes with new tyres, battery-pack, and enhanced ground clearance.

The company said the model would now be available for bookings in 31 cities. The car was initially introduced in five cities during its launch in January 2020.

“We are proud to introduce the evolution of the ZS EV in a short span of one year, reiterating our commitment to the EV space,” MG Motor India President & Managing Director Rajeev Chaba said while launching the product in a virtual event.

To extend customers a superior ownership experience, the company is building robust charging infrastructure in the country along with ecosystem partners, he added.

The ZS EV comes with 143 PS power and 350 Nm torque and can reach from 0 to 100 kmph in 8.5 seconds.

It is available in two variants- Excite & Exclusive- and comes with features like Panoramic sunroof, 17-inch alloy wheels, and a PM 2.5 air filter, among others.

The automaker extends its customers a five-way charging ecosystem including free-of-cost AC fast-charger at residences/offices, portable in-car charging cables, DC superfast charging stations at dealerships, 24x7 charge-on-the-go facility in five cities and charging stations in satellite cities and tourist hubs.

CEAT ropes in Rana Daggubati as brand ambassador for a new range of bike tyres:

- Rushikesh Tikhile

Mumbai: Tyre maker CEAT has roped in actor Rana Daggubati as its brand ambassador for promoting the ‘Puncture Safe’ range of bike tyres. As part of an integrated marketing campaign across all five southern states, Daggubati will feature in the new commercial for these tyres to be aired across TV and digital platforms, CEAT said in a release.

The company has launched the tyres for motorcycles in Andhra Pradesh, O Telangana, Karnataka, Tamil Nadu and Kerala, it said.

The new commercial will also be aired during the ongoing India-England Test series, it added.

“We are delighted to have Rana Daggubati on board for this campaign. The India-England test series offers an ideal opportunity for us to connect with our customers as it is one of the most widely watched events in India with a massive viewership,” said Arnab Banerjee, Chief Operating Officer, CEAT.

These tyres don’t lose air by sealing themselves on their own even after getting punctured, it said adding the technology can seal punctures for nails up to 2.5 mm in diameter.

“I am proud to be associated with one of the most respected brands in India. I Am looking forward to an exciting journey with CEAT Tyres,” said Daggubati.



Mercedes-Benz Headphones review: Sound drive, comfortable. - Tushar Kamble

You don't expect a brand like Mercedes-Benz (MB) to make headphones, right? After all, it is a name synonymous with cars, supercars and aspiration. However, much to your surprise, Mercedes-Benz does actually make a pair of over-the-ear headphones. So what's the deal with the MB Headphones? Well, the brand makes you look for a design aesthetic like none other. The headphones look quite distinctive but the use of plastic came as a surprise. Having said that, it is good-quality plastic that is accentuated with a glossy back and shades of metallic grey. The headband is also made of plastic.

The headphones are quite sturdy but on the heavier side—they weigh 400 grams. The ear cups have a leather-like material and proper cushioning. The headphones fit nicely. There are a few buttons on the right ear cup. There's a power button along with two buttons for active noise cancellation (ANC) and 3D surround sound. The ANC works nicely but is not in the same class as Bose, Apple AirPods Max or Sony's flagship headphones. The battery life is close to 18 hours, which is quite good. The sound quality on the MB Headphones is pleasing at most times. Does it make you go wow?

Not really. We gave it a shot on a variety of genres. Ramin Djawadi's The Night King (from Game of Thrones) sounds nice with mids and highs very well handled. There's enough detail when it comes to sound quality. Hearing Simon and Garfunkel's The Sound of Silence's acoustic version on the Headphones gives you a nice demonstration of how well vocals sound, and instrument separation is reasonably good.

The problem—only if you compare with the Boses and Apples of the world is with the highs as they often come across as too sharp. This is not to say that the sound quality is inadequate, but it falls short when compared with the competition. But that's the thing. Mercedes-Benz isn't in the business of audio products and clearly has made it for the so-called fanboys and those who want to flaunt their headphones. At Rs 30,000, they look great and produce a good sound output. How do you buy them? They're available online or if you're lucky, you can check if a Mercedes-Benz dealership in the neighbourhood stocks them.

Hold City Union Bank, target price Rs 190: ICICI Securities: - Sahil Pamnani

ICICI Securities has hold a call on City Union Bank Ltd. With a target price of Rs 190. The current market price of City Union Bank Ltd. Is Rs 176.85.

City Union Bank Ltd., incorporated in the year 1904, is a banking company (having a market cap of Rs 13047.55 Crore).

Financials: The Bank reported Gross Non-Performing Assets assets) and Net Non-Performing Assets (Net NPAs) of Rs 527.15 Crore (.00% of total assets). For the quarter ended 31-12-2020, the company reported a Standalone Interest Income of Rs 890.67 Crore, down 0.91 % from last quarter's Interest Income of Rs 898.82 Crore and up 0.80% from last year's same quarter's Interest Income of Rs 883.60 Crore. The bank reported a net profit after tax of Rs 169.93 Crore in the latest quarter.

Investment Rationale: CUB's premium valuation (2x FY22 P/BV) over peer banks was largely due to its decade-long consistency in returns and asset quality. The brokerage believes the current valuation fairly captures improved collections until Sep 20, and a multiple rerating from the current level will only be gradual and prolonged due to: 1) Lack of visible triggers for early return to historical profitability, and 2) collections at 89%. It maintains HOLD with a target price of Rs190.



Epic Games takes Apple fight to EU antitrust Regulators: - Yugandhara Bobade

Brussels: Fortnite creator Epic Games Inc. has taken its fight against Apple Inc. to European Union antitrust regulators, ramping up its dispute with the iPhone maker over its App Store payment system and control over app downloads.

The two companies have been locked in a legal dispute since last August, when the game maker tried to avoid Apple's 30% fee on some in-app purchases on the App Store by launching its own in-app payment system. That prompted Apple to kick Epic's Fortnite game off the App Store and threaten to terminate an affiliated account that would have effectively blocked distribution of Unreal Engine, a software tool used by hundreds of app makers to create games.

Epic Games' Chief Executive Officer Tim Sweeney said Apple's control of its platform had tilted the level playing field. "The 30% they charge as their app tax, they can make it 50% or 90% or 100%. Under their theory of how these markets are structured, they have every right to do that," he told reporters. "Epic is not asking any court or regulator to change this 30% to some other number, only to restore competition on iOS," he said, referring to Apple's mobile operating system.

The company also accused Apple of barring rivals from launching their own gaming subscription service on its platform by preventing them from bundling several games together, even though its own Apple Arcade service does that.

Apple said its rules applied equally to all developers and that Epic Games had violated them.

"In ways a judge has described as deceptive and clandestine, Epic enabled a feature in its app, which was not reviewed or approved by Apple, and they did so with the express intent of violating the App Store guidelines that apply equally to every developer and protect customers," the company said in a statement. "Their reckless behaviour made pawns of customers, and we look forward to making this clear to the European Commission."

Apple has been taking small steps in recent months towards changing its practices, including lower fees for some developers and giving them a way to challenge its rulings, both of which have not satisfied the company's critics.

Fortnite is slated to come back to the iPhone at some point in the mobile Safari browser. Epic and Apple in recent weeks have been trading documents and conducting depositions ahead of a scheduled May trial in the Epic lawsuit filed last year.

The European Commission, which is investigating Apple's mobile payment system Apple Pay and the App Store, confirmed receipt of the complaint. "We will assess it based on our standard procedures," an EC spokeswoman said.

Epic Games has also complained to the UK Competition Appeal Tribunal and to the Australian watchdog. Big companies such as Microsoft Corp. Spotify and Match Group Inc. have also criticised Apple's App Store fees and rules.



Stress in retail loans of banks may triple by FY22 end: Ind-Ra- **Yash Kothari**

Mumbai: Stress in retail loans could triple by the end of FY22 due to a slowdown in income growth and slower pace of job creation in the service sector, credit ratings firm India Ratings & Research (Ind-Ra) said. It estimated that stressed loans from retail advances could rise to 4.7% of the total in March 2022 from 1.60% in March 2021, led by slippages in unsecured loans-especially at private sector banks.

Jindal Haria, director Ind-Ra, said private sector banks are likely to experience higher slippages from retail loans with total stressed loans increasing about three times, mainly due to their share in unsecured loans.

Despite the rise in stressed loans, retail will continue to drive credit growth for banks with a 15% to 20% growth next fiscal due to consumer demand for buying homes and vehicles even as banks tighten their credit appraisal process.

Ind-Ra, which is an arm of Fitch in India, also revised its outlook on the banking sector to stable from negative in FY22 as lower-than-expected provisions, especially on corporate loans, will likely stabilise bank earnings and support profits. "Substantial systemic measures have reduced the system wide Covid-19-linked stress below the expected levels.

Banks have also strengthened their financials by raising capital and building provision buffers," Ind-Ra said, pointing to the provision and capital buffers built by banks after Covid.

The ratings agency expects banks' credit costs to drop to multi-year lows at 1.5% of loans in FY22 from 2% in FY21, which is half of the recent peak of 4% in FY18. Stressed loans from the large chunky corporate book have fallen to 15.3% of total loans from 20% in FY18, thus keeping credit costs low.

Ind-Ra has also raised its credit growth forecast to 6.9% in FY21 from 1.8% earlier and predicts that it will improve further to 8.9% in FY22 due to the improvement in the economic environment and higher government spending.

Gross non-performing assets (NPAs) for the banking system will likely increase to 10.1% in March 2022 from 8.8% at the end of the current fiscal, but higher pre-operating profits and provision coverage ratios will help banks manage the stress, Ind-Ra said.

The outlook on public sector banks has also been revised to stable from negative in FY22 due to improvement in the banks' capital position, higher provision coverage, lower-than-expected Covid-19 stress and minimal surprises arising out of public sector bank mergers.

CORONAVIRUS SAFETY



Avoid touching your eyes, nose or mouth with unwashed hands.



Cover your nose and mouth with a tissue when coughing or sneezing



Avoid close contact with people who are sick, except to get medical care.