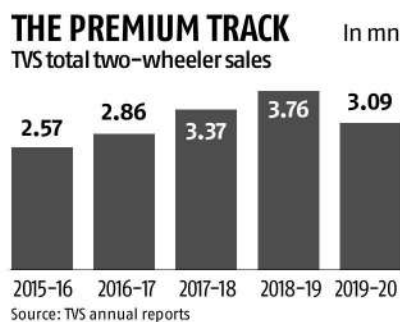




# TVS revs up the premium road

Having acquired iconic British brand Norton in April, the Chennai-based company is looking to gain speed in the performance bike market

TE NARASIMHAN  
Chennai, 3 September



In 1982, TVS Motor began its journey on the road to becoming a premium two-wheeler company by launching a racing team. But it gained momentum only in 2005 with the 150 cc performance bike TVS Apache. Since then, it has steadily accelerated this premium drive with the recently-acquired British legacy brand Norton and a high-end 200 cc brand called Zeppelin on the launch pad. The pandemic-induced downturn will not change this strategy, the company says.

“Premiumisation,” to use marketing jargon, has been a buzzword at TVS over the past decade against the backdrop of rising disposable incomes. Premium bikes, which refer to those that cost upwards of ₹80,000, now account for 25 per cent of the market, up from 14 per cent seven years ago. Though incomes have taken a hit following the outbreak of the Covid-19 pandemic, most marketers expect this to be a blip. In fact, demand for mobiles, white goods and automobiles (except commercial vehicles) is already seeing an uptick.

For TVS, the premium push picked up speed in April this year when it acquired Norton for €16 million (₹153.12 crore). The iconic British sporting motorcycle brand is expected to give the firm a big presence in the super-premium category and the classic racing buyer segment. Norton is a 102-year brand with a rich legacy and a dedicated customer base in many countries. Its target segment is 850-1,200 cc, much more powerful than anything that exists in the Indian market today.

“The Norton acquisition is in line with our effort to cater to the aspirations of dis-

cerning motorcycle customers. The immediate focus will be on the 21 developed markets in which Norton is already present, after which TVS will look to expand to some key developing markets such as India,” said Sudarshan Venu, joint managing director, TVS Motor.

This acquisition is expected to help TVS take on competition from Royal Enfield, UK’s Triumph Motorcycles (which has tied up with Bajaj Auto), Mahindra & Mahindra Ltd, which acquired the hardy Czech brand Jawa, and Harley-Davidson.

Recently, addressing TVS shareholders, Venu Srinivasan, chairman and managing director, TVS Motor, explained that “Norton enhances TVS Motors’ global portfolio, bringing complementary product segments, markets and capabilities in the super-premium category”.

“Going forward, we do look at ‘premiumisation’ as one of the ways of improving our profit margins, both in domestic and international markets,” he added. By the end of this year, the company expects to launch the Zeppelin, priced around ₹1.25 lakh.

On September 2, TVS invested ₹30 crore in Ultraviolet Automotive, a start-up that

is developing electric mobility solutions. The start-up is building India’s first high-performance electric motorcycle — the F77 — and is now gearing up towards launching the motorcycle in the market. The company claims that this will outperform traditional motorcycles in the 200-250cc segment.

All these offerings will add to the portfolio of performance bikes that TVS has launched in the past five years. These ranged from 160 to 310cc under the Apache (₹98,050 to ₹2.45 lakh), Ntorq (₹66,885-₹73,365) and iQube (₹1.15 lakh) brands. The TVS Apache series and TVS Ntorq 125 together account for 30 per cent of TVS Motor’s volumes.

The TVS Apache series — TVS’ most reliable racehorse — has a market share of roughly 23 per cent in the premium motorcycle category, with over 3.5 million customers, according to a company spokesperson. TVS Apache RR 310 (₹244,799) is based on a BMW platform and the company claims it is one of its most successful products in domestic as well as export markets. Brand expert and founder of Mogae Group Sandeep Goyal said the Apache has shown that consumers are willing to upgrade to bikes with more bells and whistles when they trust a brand, since two-wheelers is a category propelled not just by utility but aspirations too. “I think the BMW-Motorrad tie-up gave them a psychological boost versus the Japanese brands,” he said. (Motorrad is the German automaker’s motorcycle brand).

Analysts agree with this view, and add that TVS has been the only player, other than Royal Enfield, that launched products in the premium segment.

“These (premium) products are also improving the company’s margins and would gradually help it bridge the gap with its peers. Five years ago, the margin difference between TVS and its peers was 9-10 per cent in general, and today it is 6-8 per cent,” said Basudeb Banerjee, research analyst at Ambit Capital. The gap is expected to close to 4-6 per cent in the next two or three years, he added.

As Banerjee pointed out, other than Royal Enfield and to some extent Bajaj, there was no real third player in India. TVS is now filling the spot and is in a better position to capitalise on the trend with its new offerings. The company has also understood that if it focuses only on the mass market, it may underperform, and that scale is also a challenge.

# ‘The government should be filing a review petition’

Senior advocate KAPIL SIBAL, who represented Hughes Communications in the Adjusted Gross Revenue (AGR) dues case in the Supreme Court, tells Sudipto Dey and Aditi Phadnis that the government should feel aggrieved that its decision — to grant 20 years to telecom companies to make the payment — has been turned down. Edited excerpts:

**Is there any clarity on whether the payments made so far by telecom companies towards AGR dues would be treated as the “upfront amount”, or do they have to pay over and above what they have so far?**

The government had, through a cabinet decision, granted 20 years to telecom companies to make the payment. In the meantime, some payments towards AGR had already been made. I personally think there is no real clarity in the judgment on that issue. But I do hope that what it means is that whatever payments have been made thus far are adjusted towards the 10 per cent — and the instalments will run thereafter.

**On the issue of review and curative petitions, experts see limited ground for relief on Spectrum Usage Charges (SUC)-related AGR liability and on payment timelines. Your comments?**

Since this was a cabinet decision, I think the government should be aggrieved that a decision taken by the Government of India has, in a sense, been turned down by the court. Remember, the time frame during which payments should be made is something that the government decides as a matter of policy, in the context of the grave financial situation that the telecom sector is facing.

Normally courts do not comment on the context of the terms of payments. That the court has done so is something that the government should be aggrieved about — and if so, it should be filing a review petition. Whether



telecom operators file a review petition or not: it is for each of them to take a decision separately on that. Review petitions are normally not allowed. As far as curative is concerned, that’s, of course, a call that telecom operators will have to take.

**Q&A**

**KAPIL SIBAL**  
Senior advocate

**Do you think the apex court asking the managing directors of telecom companies to furnish personal guarantees and undertakings to abide by the order is a concern over which you may seek relief?**

Yes, it is a concern. Normally MDs should not be asked to file personal guarantees because ultimately it is a corporate liability. And unless that liability itself is supported by guarantees — that’s a separate issue. But if it is not, then courts would normally not pass such an order. That should be addressed by telecom operators, who should take a call on what should be done to seek some

relief on that account.

**You also appeared today, on behalf of the construction industry, on the issue of the moratorium. The Supreme Court has said that no account should be declared NPA (non-performing asset) for two months and the banks should not take coercive action against borrowers. Hearings will continue September 10 onwards. But what are the issues here?**

In a sense, that is already built into the policy. You can falter. But you will be an NPA only after the 60-day period. So that’s already built in. But I think the intent is to ensure that whatever the status was on August 31, that status will continue till the court decides what is to be done.

**Do you see the issue of whether spectrum can be traded under IBC (Insolvency and Bankruptcy Code) as something that will eventually end up in the Supreme Court?**

That’s a matter of real concern for me. I think the whole purpose of the trading policy framework was the optimal use of spectrum. If somebody is not in a position to use spectrum, then that is not optimal use.

If spectrum at the time of trading cannot be given as security, then the whole telecom sector will be in deep trouble. For an operator, that is the most valuable asset he has. If the bank cannot use that as security, what else can he pledge?

It is also an indication that when courts take decisions, unaware of the economic consequences of those decisions, then it can have a very damaging effect, not only on the sector but also on the economy of the country. And, therefore, banks should be allowed to accept spectrum as security and spectrum should be allowed to be traded, subject to that security.

# How Covid-19 gives private airlines a chance to go global

SAI MANISH  
New Delhi, 3 September

SpiceJet and Vistara recently started flights to London after bagging slots at Heathrow airport, dubbed by Virgin Atlantic founder Richard Branson as the world’s most expensive piece of concrete that can be owned for 90 seconds. Many questions came to mind about India’s private airlines’ international plans.

Business Standard’s examination shows that over 600 slots at three major airports — Heathrow, Dubai and New York’s JFK International — could be at stake if nine airlines go out of business. Most of these slots are at Heathrow and owned by Virgin Atlantic and Flybe, the defunct British domestic carrier.

“The government should ask private airlines to connect cities like Hyderabad, Bengaluru and other non-Delhi non-Mumbai routes with non-stop flights to the US and the UK,” said Jitender Bhargava, former executive director of Air India. “This crisis is a golden opportunity for India’s airlines to start long-haul operations. More airport slots are available. Aircraft leases will get cheaper as many airlines have simply parked their planes in deserts anticipating low demand for the next three years,” he said.

The coronavirus pandemic has created an aversion for one-stop flights, so private airlines could be eyeing long haul non-stop flying: a role that has been the sole domain of Air India.



The industry reckons the mayhem from the coronavirus will continue till 2023, but airlines that survive will be like vultures circling over prey. Their target would be airport slots vacated by airlines that fail to survive the \$84 billion losses global aviation is expected to suffer in 2020. Virgin Atlantic has filed for Chapter 15 bankruptcy protection in the US even as it seeks to raise \$1.5 billion from European investors to avoid going out of business. It has sold its Australian arm to Bain Capital, which in turn has suspended the airline’s domestic operations of its regional subsidiary Tiger Air.

According to Airlines for America, a Washington DC-based trade group of North American Airlines, at least 17 other international and domestic air-

lines have had either to restructure their ownership to ensure survival or cease operations.

The world’s busiest airports have coordinated slots during which airlines can land and depart. Slots are needed because an airport’s infrastructure isn’t sufficient to handle the demand for airlines to operate from that airport. Countries usually give lucrative daily slots to their domestic airlines.

Heathrow is a rare airport to allow airlines to trade slots. A British Parliament report estimates that Heathrow’s slots can fetch anywhere between 5 to 15 million GBP depending on time. Airlines can pay for a lucrative morning slot, or lease it out. The morning slots are usually the coveted ones and fetch huge premiums.

In March, Air India leased

six evening and late night slots at Heathrow from Indonesia’s Garuda Air for an undisclosed amount. British Airways bagged most of Flybe’s slots. A handful of late evening slots were transferred to Virgin Atlantic. If an airline fails to use 80 per cent of its slots, it must return them. This “use it or lose it” rule has been suspended till October for the Covid-19 crisis.

Vistara, SpiceJet and Indigo applied but none has slots at Heathrow yet, though Vistara and SpiceJet have announced non-stop flights soon to the airport under India’s travel bubble arrangement with the UK.

ACL’s reports and trading data don’t show SpiceJet either being allotted a slot or having purchased or leased one, but the airline told India’s stock exchanges that it had bagged a slot at Heathrow from September.

More on business-standard.com

**Vardhman**  
Delivering Excellence. Since 1965.

**VARDHMAN TEXTILES LIMITED**  
Registered Office: Vardhman Premises, Chandigarh Road, Ludhiana - 141 010 (Punjab), India.  
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PAN: AABCM4692Z; CIN: L17111PB1973PLC003345  
E-mail: secretarial.lud@vardhman.com; Website: www.vardhman.com

**NOTICE OF AGM, BOOK CLOSURE AND E-VOTING DETAILS**  
Notice is hereby given that the 47th Annual General Meeting (AGM) of the Members of Vardhman Textiles Limited is scheduled to be held on **Monday, 28th September, 2020 at 10:30 a.m.** through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) in compliance with all the applicable provisions of the Companies Act, 2013 and the Rules made thereunder and the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with General Circular(s) No. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020 and 20/2020 dated May 5, 2020, and other applicable circulars issued by the Ministry of Corporate Affairs (MCA) and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 (collectively referred to as “relevant circulars”), to transact the business set out in the Notice calling the AGM. Participation of Members through VC / OAVM will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 18th September, 2020 to Monday, 28th September, 2020 (both days inclusive) as Annual Book Closure. In compliance with the relevant circulars, the Notice of the AGM along with Annual Report for the F.Y. 2019-20, have been sent to all the Members whose email addresses are registered with the Company / Depository Participant(s). The aforesaid documents are also available on the Company’s website at www.vardhman.com and on the website of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively. Further, pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and relevant circulars, the Company is pleased to provide Members facility to exercise their right to vote at the AGM by electronic means (“e-Voting”). Members may cast their votes remotely, using the electronic voting system of Central Depository Services (India) Limited (CDSL) on the dates mentioned hereinbelow (“remote e-Voting”).

**All the Members are informed that:**  
i) The remote e-Voting period shall commence from **Friday, 25th September, 2020 from 9:00 a.m.** and shall end on **Sunday, 27th September, 2020 at 5:00 p.m.** The remote e-Voting module shall be disabled by CDSL after the aforesaid date and time for e-Voting and once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently;  
ii. The cut-off date for determining the eligibility to vote by electronic means is **Monday, 21st September, 2020;**  
iii. Any person, who acquires shares and become Member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. **Monday, 21st September, 2020,** may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if a person is already registered with CDSL for e-Voting then existing user ID and password can be used for casting vote;  
iv. Members may note that:  
a) The manner of e-Voting by Members holding shares in dematerialized mode, physical mode and for Members who have not registered their email addresses is provided in the Notice of the AGM and is also available on the website of the Company.  
b) Members holding shares in physical mode and who have not registered/updated their email address with the Company are requested to register/update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at secretarial.lud@vardhman.com or to RTA at rta@alankit.com  
c) Members holding shares in dematerialized mode who have not registered/updated their email address with their Depository Participant(s) are requested to register/update their email addresses with the relevant Depository Participant.  
d) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date;  
e) The Members who have cast their vote by remote e-Voting prior to the AGM may attend the AGM but shall not be entitled to cast their vote again;  
f) a person whose name is recorded in the register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date shall be entitled to avail the facility of e-Voting;  
g) The result of the resolution passed at the AGM will be declared within 48 working hours from the conclusion of AGM.  
For any queries you may contact the following:-  
Contact Person: Mr. Sanjay Gupta  
Designation: Company Secretary  
Address: Registered Office, Vardhman Premises, Chandigarh Road, Ludhiana-141010, Punjab  
E-mail: Secretarial.lud@vardhman.com  
Phone No.: 0161-2228943-48

**By order of the Board of Directors**  
Sd/-  
(Sanjay Gupta)  
Company Secretary

**Place: Ludhiana**  
**Date : 04.09.2020**

**Vardhman**  
Delivering Excellence. Since 1965.

**VARDHMAN ACRYLICS LIMITED**  
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PAN: AAACV7602Z; CIN: L51491PB1990PLC019212  
E-mail: secretarial.lud@vardhman.com; Website: www.vardhman.com

**NOTICE OF AGM, BOOK CLOSURE AND E-VOTING DETAILS**  
Notice is hereby given that the 30th Annual General Meeting (AGM) of the Members of Vardhman Acrylics Limited is scheduled to be held on **Tuesday, 29th September, 2020 at 10:30 a.m.** through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) in compliance with all the applicable provisions of the Companies Act, 2013 and the Rules made thereunder and the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with General Circular(s) No. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020 and 20/2020 dated May 5, 2020, and other applicable circulars issued by the Ministry of Corporate Affairs (MCA) and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 (collectively referred to as “relevant circulars”), to transact the business set out in the Notice calling the AGM. Participation of Members through VC / OAVM will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 19th September, 2020 to Tuesday, 29th September, 2020 (both days inclusive) as Annual Book Closure. In compliance with the relevant circulars, the Notice of the AGM along with Annual Report for the financial year 2019-20, have been sent to all the Members whose E-mail Addresses are registered with the Company / Depository Participant(s). The aforesaid documents are also available on the Company’s website i.e. www.vardhman.com and on the website of the National Stock Exchange of India Limited at www.nseindia.com. Further, pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and relevant circulars, the Company is pleased to provide Members facility to exercise their right to vote at the AGM by electronic means (“e-Voting”). Members may cast their votes remotely, using the electronic voting system of Central Depository Services (India) Limited (CDSL) on the dates mentioned hereinbelow (“remote e-Voting”).

**All the Members are informed that:**  
i. The remote e-Voting period shall commence from **Saturday, 26th September, 2020 from 9:00 a.m.** and shall end on **Monday, 28th September, 2020 at 5:00 p.m.** The remote e-Voting module shall be disabled by CDSL after the aforesaid date and time for e-Voting and once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently;  
ii. The cut-off date for determining the eligibility to vote by electronic means is **Tuesday, 22nd September, 2020;**  
iii. Any person, who acquires shares and become Member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. **Tuesday, 22nd September, 2020,** may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if a person is already registered with CDSL for e-Voting then existing user ID and password can be used for casting vote;  
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b) Members holding shares in physical mode and who have not registered/updated their email address with the Company are requested to register/update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at secretarial.lud@vardhman.com or to RTA at rta@alankit.com  
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g) The result of the resolution passed at the AGM will be declared within 48 working hours from the conclusion of AGM.  
For any queries you may contact the following:-  
Contact Person: Mr. Satin Katyal  
Designation: Company Secretary  
Address: Registered Office, Vardhman Premises, Chandigarh Road, Ludhiana-141010, Punjab  
E-mail: secretarial.lud@vardhman.com  
Phone No.: 0161-2228943-48

**By order of the Board of Directors**  
Sd/-  
(Satin Katyal)  
Company Secretary

**Place: Ludhiana**  
**Date : 04.09.2020**

