

ई-रिक्शा टायर पर 28% GST लगेगा

नई दिल्ली: अथॉरिटी फॉर एडवांस्ड रूलिंग (AAR) के मुताबिक, ई-रिक्शा टायर्स को जीएसटी के सबसे ऊंचे टैक्स स्लैब में रखा गया है। मोटर व्हीकल एक्ट के तहत 'मोटर व्हीकल्स' के रूप में रजिस्टर्ड होने से इस पर 28 पसैंट का जीएसटी टैक्स लगेगा। टायर कंपनी सिएट लिमिटेड के एक आवेदन पर AAR की महाराष्ट्र बेंच ने यह आदेश पारित किया। सिएट ने अपने आवेदन में यह जानना चाहा था कि क्या ई-रिक्शा को भी तिपहिये साइकिल रिक्शा की कैटेगरी में रखा जा सकता है क्योंकि इस पर 5% जीएसटी टैक्स लगता है। अपने आदेश में AAR ने बताया कि ई-रिक्शा में पैडल नहीं होता। इसे पहले से पावर्ड साइकिल रिक्शा की कैटेगरी में रखा गया है।

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28% GST on e-rickshaw tyres

New Delhi: E-rickshaw tyres will attract GST at the highest slab of 28 per cent as they are registered as 'motor vehicles' under the Motor Vehicle Act, Authority for Advance Rulings (AAR) said. AAR passed the order on an application filed by Ceat, seeking to clarify if e-rickshaw can be classified under "three-wheeled powered cycle rickshaw", which attracts a 5 per cent GST. **PTI**

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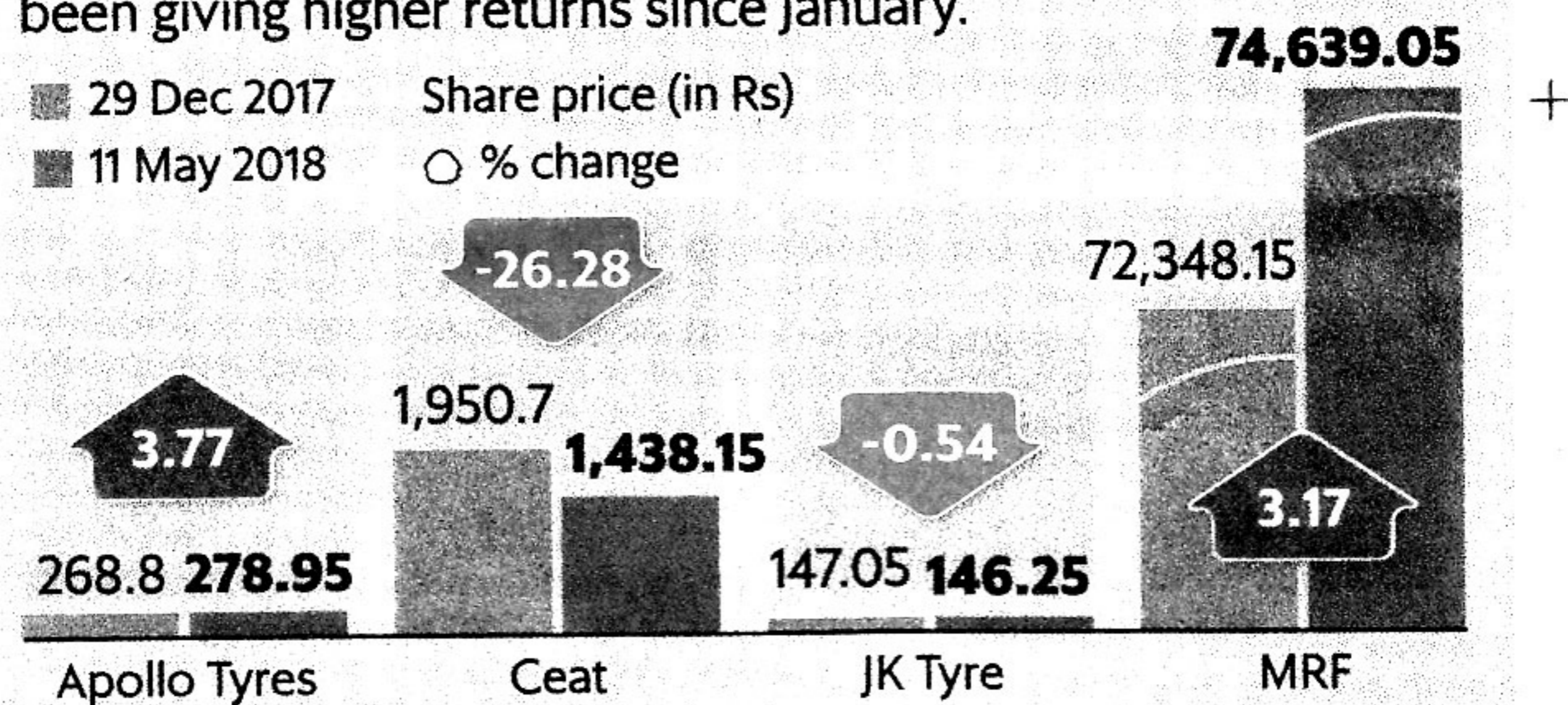
28% GST on e-rickshaw tyres

New Delhi, May 13

E-rickshaw tyres will attract GST at the highest slab of 28 per cent as they are registered as 'motor vehicles' under the Motor Vehicle Act, according to the order of the Authority for Advance Rulings (AAR). The Maharashtra-Bench of the AAR passed the order on an application filed by tyre-maker Ceat Ltd, seeking to clarify whether e-rickshaw can be classified under the head "three-wheeled powered cycle rickshaw", which attracts a 5 per cent GST. PTI

Apollo Tyres resists peer pressure

With robust domestic sales and its ability to manage rising input costs better than its peers, Apollo Tyres' stock have been giving higher returns since January.



Source: BSE

SUBRATA JANA/MINT

Apollo Tyres Jan-Mar results: a tale of two contrasting markets

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After a rather disappointing show by MRF Ltd a week ago, Apollo Tyres Ltd fared well in comparison. What helped its cause was a robust performance on its home turf, which helped offset the drag from its European operations.

To begin with, there was not much to complain on the revenue front. The Asia Pacific, Middle East and Africa (APMEA) region that accounts for about two-third the consolidated revenue, clocked a 19% jump in net sales on a year-on-year basis.

Apollo's stronghold in the commercial vehicle tyres paid off well. Meanwhile, the replacement market for tyres has been buoyant, thanks to strong vehicle sales of both passenger cars and two-wheelers.

Higher volume helped offset rising cost pressures. Crude has risen by nearly 40% during the period, and crude derivatives are significant inputs in the manufacture of tyres.

Luckily, the average cost of natural rubber eased by Rs20 per kg to Rs133 per kg over a year.

Therefore, high sales volume and lower rubber prices lifted Ebit (earnings before interest and tax) margins up for the APMEA region.

Unfortunately, this was not the case in Europe. The 22% y-o-y jump in revenue failed to lift profitability. The management, in the analysts' call

explained that margins were lower due to the drag from its acquisition of Reifencor. Ebit margin narrowed by 220 basis points (bps) to a wafer-thin 1.7%. One basis point is one hundredth of a percentage point.

At the consolidated level, Apollo Tyres' Ebitda (earnings before interest, tax, depreciation and amortization) margin of 12.8% was in-line with what 11 *Bloomberg* analysts had forecast. It was also 160bps higher y-o-y.

Even the net profit of Rs250 crore that was 10% higher from the year-ago period, although it just met the Street's expectation. It's hardly surprising then that investors didn't give the performance a thumbs-up.

Fears of rising cost pressures on account of soaring crude prices are weighing down the stock.

Then, there is the capacity ramp up in the industry that could lead to stiff competition in the medium term. Apollo Tyres' increase in capacity both in India and Hungary and rising share in the truck and bus radial tyres will aid strong revenue growth, according to Emkay Global Financial Services Ltd.

Indeed, the Apollo stock has done better than peers, rising 4% this year in a market that's marginally down.

Yet, although analysts are bullish on the firm's prospects, the challenge will be for overseas operations to pick up in the coming quarters and stop being a drag on overall performance.

