



Govt accuses Kia of evading \$155 mn taxes

The car maker denies tax evasion claims linked to Carnival model imports

Reuters
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India has accused South Korea's Kia of evading taxes of \$155 million by mis-classifying component imports but the carmaker has denied wrongdoing, the latest fight by a foreign automaker with New Delhi over tariffs, according to a document and two sources.

Kia competes with Hyundai and Maruti Suzuki in the world's third-largest auto market, where it has a 6% share of roughly four million units a year, and its Kia Seltos and Sonet SUVs are among the top sellers.

Foreign companies in India face headaches from high taxes and long-drawn-out investigations. For example, Tesla has publicly complained about high taxes on imported EVs, and last week, Volkswagen sued over a demand for a record \$1.4 billion in back taxes that it called "impossibly enormous".

Tax officers sent a confidential notice to Kia's Indian unit in April 2024, flagging ₹1,350 crore alleged tax evasion, according to a government notice *Reuters* is reporting for the first time.

The offence centred on incorrect declaration of imports of components for the assembly of the carmaker's luxury Carnival minivan, the tax notice showed



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REUTERS

customs duty". Kia devised the strategy to ensure the imports "could not (be) detected by customs," it added in the notice, issued by a customs commissioner in the southern city of Chennai.

Two sources said Kia's case was similar to Volkswagen's, and is accused of evading tax of 30% to 35% applicable on imported

The Volkswagen investigation spanned 14 car models from the Skoda Kodiaq to the Audi A3 and the Volkswagen Tiguan.

In contrast, Kia's case concerns only the Carnival model, a seven-seater priced around \$73,500, which is among its most expensive cars in India.

Indian tax rules could require Kia to pay up to \$310 million if it loses the dispute, or roughly double the amount evaded, due to penalty and interest.

The latest available corporate filings show Kia India's annual sales of \$4.45 billion in FY23 were its highest ever, up 53% on year, for net profit of

completely knocked down (CKD) form in a single shipment, instead shipping separate parts over days, making them eligible for a tax rate of just 10% to 15%.

During the investigation, Kia's website showed the Carnival model is sold in CKD form, with retail sales of 9,887 units during 2020 to 2022, the tax notice said.

\$243 million.

Last week, India slashed import duties on fully-built high-end motorcycles to 30%, in a move seen as looking to placate US President Donald Trump, who has in the past called India a "tariff king".

But fully-assembled imported cars still attract a levy of more than 100%.

India's finance ministry and customs officials didn't respond to *Reuters* queries.

In its 432-page notice, the government said tax authorities found Kia's Carnival "car model was being imported in parts or components in separate lots" via different ports, with the "intent to discharge lesser

treaties and customs separately to lower customs duty

TAX SCANNER

THE tax authority's notice alleged Kia imported Carnival parts separately to lower customs duty

KIA devised the strategy to ensure the imports "could not (be) detected by customs", it added

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NILKAMAL LIMITED

CIN : L25209DN1985PLC000162

Registered Office: Survey No. 354/2 & 354/3, Near Rakholi Bridge, Silvassa-Khanvel Road, Village-Vasona, Silvassa - 396230 (Union Territory of Dadra & Nagar Haveli and Daman & Diu)

Website: www.nilkamal.com • Email: investor@nilkamal.com



UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER, 2024

(₹ in Lakh)

Sr. No.	Particulars	STANDALONE			CONSOLIDATED		
		Quarter Ended 31/12/2024	Quarter Ended 31/12/2023	Nine Months Ended 31/12/2024	Quarter Ended 31/12/2024	Quarter Ended 31/12/2023	Nine Months Ended 31/12/2024
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1	Revenue from Operations	83,192.31	78,163.02	2,36,273.03	85,428.05	80,345.05	2,41,873.08
2	Net Profit for the period before Tax, Exceptional and Extraordinary items	1,946.18	3,099.50	7,538.01	2,559.31	3,590.49	8,808.73
3	Net Profit for the period before Tax, after Exceptional and Extraordinary items	1,946.18	3,099.50	7,538.01	2,559.31	3,590.49	8,808.73
4	Net Profit for the period after Tax, after Exceptional and Extraordinary items	1,457.17	2,310.44	5,650.63	2,161.76	2,936.42	7,258.06
5	Total Comprehensive Income for the Period [Comprising Profit for the Period (after tax) and Other Comprehensive Income (after tax)]	1,463.48	2,321.97	5,659.07	2,307.77	2,947.79	7,458.91
6	Equity Share Capital (Face Value of ₹ 10 per Share)	1,492.25	1,492.25	1,492.25	1,492.25	1,492.25	1,492.25
7	Earnings Per Share (Face value of ₹ 10 each) Basic and Diluted (not annualised) (in ₹)	9.76	15.48	37.87	14.40	19.64	48.45

Notes : (1) The above is an extract of the detailed format of Quarterly / Annual Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the above Quarterly / Annual Financial Results are available on the Stock Exchange Websites (www.bseindia.com) and (www.nseindia.com) and on Company's website (www.nilkamal.com), the same can be accessed by scanning the QR code provided below.



By order of the Board
For Nilkamal Limited
Sd/-
Hiten V. Parekh
Managing Director

Place: Mumbai
Date: 05th February, 2025

MUNICIPAL CORPORATION OF GREATER MUMBAI L.T.M.G. HOSPITAL, SION, MUMBAI - 400 022

No. LT.MG/EQ-34/T 2024-25 05/02/2025

This is an E-Tender Notice. The Commissioner of Municipal Corporation of Greater Mumbai (MCGM) invites e-tenders as given below in three Packet systems".

The Name of the work: Disposable Suction Liner bags Green 1100 nos. & Red 110 nos. 2 Litre Capacity For Surgery Dept of LTMG Hospital

Sr. No.	Description	E-Tender Fees (Rs.)	EMD (Rs.)	Start Date and Time of Online Bid Downloading	End Date and Time of Online Bid Submission
1.	Disposable Suction Liner bags Green 1100 nos. & Red 110 nos. 2 Litre Capacity For Surgery Dept of LTMG Hospital Bid No. 2025_MCGM_1141082	Rs.1320/- plus GST @ 18%	Rs. 20,000/-	06.02.2025 04.00 pm (16:00 Hrs)	14.02.2025 04.00 pm (16:00 Hrs)

The intending tenderer Shall visit the Municipal Corporation website at <http://www.mcgm.gov.in> for further details of the tender.

The tender documents will not be issued or received by post.

PRO/2449/ADV/2024-25
AVOID SELF MEDICATION

'Reforms key for carbon credit trading'

Nehal Chaliawala

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MUMBAI

Tata Power, one of India's largest renewable power generators, has not participated in the nascent International Renewable Energy Certificates (IRECs) market—considered an alternative to carbon credits—citing a lack of buyers.

Praveer Sinha, Tata Power's managing director and chief executive officer, said policy intervention—in terms of target-based incentives and disincentives—is a must to breathe life into the IREC and carbon credit market in India. "Today, there are no buyers," Sinha said. "In India, there is no regulation incentivizing or penalizing heavy polluters for emissions. Without that, carbon credits will not take off."

Tata Power registered with Green Certificate Co. ('GCC'), the Sheffield, UK-based company that issues IRECs. However, Sinha said Tata Power is not applying for these certificates. IRECs are energy attribution certificates indicating



Target-based incentives will breathe life into the carbon credit market in India, said Praveer Sinha, MD and CEO, Tata Power.

that the holder has consumed renewable energy. Each IREC represents a megawatt-hour (MWh) of electricity. The certificates are issued to entities generating renewable power, who can then sell it in a secondary market. Firms utilizing power from non-renewable sources can purchase IRECs to meet sustainability targets.

In India, IRECs are traded on Indian Energy Exchange (IEX) and the Power Exchange India Ltd (PXIL). They are primarily purchased by power distribution companies, cap-

tive power plants, and large consumers to meet renewable purchase obligations (RPO)—targets for minimum renewable power consumption set by the power ministry.

Prices of IRECs fell to an all-time low in September due to oversupply, as per a S&P Platts report. The decline in prices was driven by significant oversupply as unconsumed certificates continue to flood the market, with demand lagging far behind, S&P analysts said.

Bureau of Energy Efficiency is developing India's Carbon

Credit Trading Scheme, a framework to govern voluntary and compliance-based carbon trading in India.

Carbon credit represents avoidance of emission of one tonne of carbon dioxide in the atmosphere and companies with high emissions can purchase these credits to offset their emissions.

Tata Power, whose profit has grown for 21 quarters, will continue on the path in the mid-term as its investments across the power value chain start paying dividends, Sinha said. The firm on Tuesday reported 10% y-o-y growth in profit for the December quarter to ₹1,188 crore. Revenue grew 2% to ₹15,118 crore.

Tata Power has invested in solar cell and panel manufacturing, rooftop solar solutions, and power transmission and distribution, and power generation. It commissioned a 4-gigawatt per annum manufacturing line for solar cells in Tiruvelliyil. It will also help boost its market share in the rooftop solar space.

For an extended version of this story, go to livemint.com.

Metropolis to focus on micro markets: CEO

Jessica Jani

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MUMBAI

L eading diagnostics chain Metropolis Healthcare is focusing on improving its footprint across key regions by customising its services and offerings for these micro markets, chief executive Surendran Chemmenkotil said in an interview, adding that this will push sales in the near term and boost regional performance.

"We have divided the entire country into 100-plus micro-markets...which behave similarly or their competitive position, growth levels and oppor-

tunities are similar," he said. The firm has introduced market-relevant pricing in different regions, tweaked its partnership as well as distribution model depending upon the needs of the area, and tailored test menus according to disease patterns and needs in specific regions.

With diagnostics traditionally being a hyper-regional business, this strategy could boost the firm's strong hold over key markets. These micro-marketing strategies

are estimated to contribute an additional 2% revenue growth in the next quarter. "This will be our way of working going forward in this company," he added.

"Usually diagnostic companies have pan-India pricing...they don't see any fluctuation or major difference in the pricing," Tausif Shaikh, the lead pharma analyst at

BNP Paribas, told *HT*. Metropolis will adjust the pricing according to the patients' needs based on its data. "Micro

marketing strategies should be seen as realignment of pricing, in the regions where opportunity exists for price hikes in certain tests and packages." This may benefit the company in near term, Shaikh added.

In FY22, it plans to grow its network by adding 90 laboratories and 2,000 service centres in FY23. The next leg of growth will primarily be inorganic, he added.

For an extended version of this story, go to livemint.com.

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