

THE MARKETS ON MONDAY			Chg#
Sensex	41,642.7	▼	38.9
Nifty	12,262.8	▼	9.0
Nifty futures*	12,336.0	▲	73.2
Dollar	₹71.2		₹71.1**
Euro	₹78.9		₹78.9**
Brent crude (\$/bbl)*	65.7	##	66.6**
Gold (10 gm)**	₹38,128.0	▲	₹160.0

\*(Jan) Premium on Nifty Spot; \*\*Previous close; # Over previous close; ## At 9 pm IST; ### Market rate exclusive of VAT; Source: IBA

## Mavyn Logistics to partner Grofers for online grocery

Mavyn Logistics has tied up with Grofers for providing end-to-end solutions for the online grocery retailer, making it the logistics firm's another prime client after Flipkart, Amazon India and Urban Ladder. Mavyn claims it is to logistics what Uber is to taxi-hailing services. The company does not own trucks it uses but works, it says, as an intermediary to facilitate logistics supply. Mavyn is backed by Chetak Group and is one of the first non-asset transportation companies in India. SoftBank-backed Grofers reported a loss of ₹448 crore in FY19, while its income rose 56 per cent from the previous year, according to a report by business intelligence platform Tofler. The net loss in 2017-18 was ₹258 crore. **BS REPORTER**

## Delhi HC restrains Eveready, McLeod from sale of assets

### BALANCE SHEET

	Q2 FY19 (₹ cr)	Q2 FY20 (₹ cr)	Growth/ decline (%)
Net income	581.57	328.85	-43.45
Gross profit/loss	306.21	-13.58	N/A
Total expenses	467.34	297.76	-36.29

Source: McLeod Russel

**AVISHEK RAKSHIT**  
Kolkata, 23 December

In a blow to McLeod Russel, Eveready Industries and other Williamson Magor Group (WMG) companies, the Delhi High Court has passed an ad-interim ex parte order of injunction preventing all these companies from selling or transferring any of their assets, changing their capital structure, or opting for any debt restructuring proposal.

While McLeod Russel and McNally Bharat Engineering (MBEL) — both WMG entities — have been pushing for debt restructuring with the former opting for sale of its tea estates to pare debt, sources said Eveready is on the lookout for a strategic partner to dilute its battery business and has been monetising idle land.

The court's order restrains all these companies from carrying out their plans. KKR India, which had originally lent ₹200 crore to WMG entities, had moved the Delhi High Court seeking relief over its exposure to the WMG group.

Over the past few years, out of 52 tea estates, McLeod has sold 19 gardens across Assam, Doars and Africa for ₹765.36 crore to pare high-cost debt,

buy back shares and support the firm's daily operations.

Another estate sale in Assam is underway for a consideration of ₹28.15 crore. However, following the court's stay, this transaction is being put on hold. The court has also attached a bank account of McLeod in the course of legal proceedings and has ordered WMG entities to furnish details of their tangible and intangible assets as on March 31, 2019 and as on September 30, 2019 as well.

Earlier, the Calcutta High Court, while hearing an appeal by IL&FS, had also restrained these WMG entities from selling any of their assets or modifying their capital structure. However, it had later lifted its stay.

In a parallel development, Yes Bank, Techno Electric & Engineering and another creditor have moved Kolkata Bench of the NCLT appealing commencement of insolvency proceedings against McLeod to recover their dues. The matter has been adjourned to January 28, 2020 for hearing. Sources at Eveready said that they expect the court's order to be vacated soon as it was ex-parte and has no impact on the operations or day-to-day business of Eveready or McLeod.

## M&M rejigs brass in auto, farm divisions

**PRESS TRUST OF INDIA**  
New Delhi, 23 December

Home-grown auto major Mahindra & Mahindra (M&M) on Monday announced a rejig of its top management in automotive and farm equipment sectors with its President for auto vertical Rajan Wadhwa set to retire and step down from executive role.

Announcing changes in the group corporate office as well as in auto and farm sectors, to be effective from April 1, 2020, the company said Veejay Nakra will be appointed as CEO of the auto division.

He will have operating responsibility for passenger vehicles and entire commercial business with profit and loss accountability, except for product development process, M&M said. It further said Hemant Sikka will head the farm equipment sector, while R Velusamy will be appointed as the chief of Global Product Development (Automotive) and Vinod Sahay as Chief Purchase Officer of AFS (auto and farm sectors).

Nakra, Sikka, Velusamy and Sahay will report to Rajesh Jejurikar, who will join M&M Board as Executive Director AFS from April 1, 2020, it said.

M&M said Rajeev Goyal will be appointed as CFO of AFS. He will have dual reporting to Jejurikar and S Durgashankar, who will have an enhanced role as Group Controller of Finance and Accounts working closely with CFOs of all group businesses.

The company further said its agri business headed by Ashok Sharma will move from AFS and report to SP Shukla, who will also continue to head the Aerospace, Defence and Steel Sector, reporting to Anish Shah, who will transition to become Managing Director and CEO on April 2, 2021.

Rajeshwar Tripathi will be the chief human resources officer for AFS. He will have dual reporting to Jejurikar and Ruzbeh Irani, who is slated to head M&M's Group HR and communications, which includes CSR, Ethics and CIS. Last week, M&M had announced a rejig of its top management with Anand Mahindra, 64, transitioning to the role of non-executive chairman from executive chairman, effective April 1, 2020.

The firm also reappointed Pawan Kumar Goenka as the managing director with additional responsibilities of chief executive officer for a year, effective April 1, 2020, and he will retire after his term ends.

### BRAND WORLD P15

## STARS, SUPERHEROES SHINE AT BOX OFFICE



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### OPINION P11

## LIST OF MEASURES THAT WILL NOT HELP INDIA OVERCOME SLOWDOWN



## Tata Power wins distribution licence in Odisha's five circles

**AMRITHA PILLAY**  
Mumbai, 23 December

Tata Power said on Monday that it received a letter of intent (LoI) for a power distribution licence in Odisha's five circles.

The company aims to grow its power distribution business fourfold in the next three years.

"The Odisha Electricity Regulatory Commission (OERC) awarded the LoI to The Tata Power Company, informing the company's selection as the successful bidder to own the licence for the distribution and retail supply of electricity in Odisha's five circles," said the company in its statement.

The five circles together fall under the ambit of the Central Electricity Supply Utility of Odisha (CESU).

The five circles will add 2.5 million consumers to Tata Power's existing consumer base of 2.5 million through its other distribution areas — Mumbai, Delhi and Ajmer. "We are looking at 10 million consumers in the next three years," said Praveer Sinha, chief executive officer (CEO) and managing director (MD) of Tata Power.



**"We are looking at 10 million consumers in the next three years. The company will also evaluate other similar licences in Odisha as and when they come up for bidding"**

**PRAVEER SINHA**  
CEO & MD of Tata Power

Odisha as and when they come up for bidding. "Those are also expected to be on the public-private partnership (PPP) model and we are looking at a similar opportunity," he said. Outside Odisha, the company is keen on distribution opportunities across states. "We are looking at a few more places like Uttar Pradesh and Jharkhand as and when they come up with their bidding process," Sinha said.

While Tata Power looks to grow its consumer base fourfold, Sinha expects revenue contribution from this segment to Tata Power's financials to grow in tandem. For the quarter ended September 30, 2019, transmission and distribution contributed ₹3,207.63 crore to its total segment revenue of ₹7,315.43 crore.

The five electrical circles constituting the CESU are Bhubaneswar (Electrical Circle-I and -II), Cuttack, Paradip and Dhenkanal.

Tata Power has been offered the licence for 25 years, initially.

Sinha said the aggregate technical and commercial losses in these five circles are around 30 per cent. Tata Power aims to reduce them to 15 per cent in the first five years and to less than 10 per cent in the long term.

## 'We want to be India's largest transaction platform'

Walmart, which acquired Flipkart and in turn PhonePe last year, is excited about the prospects. Growing massively, PhonePe is armed with funds. Its co-founder and Chief Executive Officer **SAMEER NIGAM** tells Yuvraj Malik about the firm's 'platform' strategy, monetisation, and future capital-raising plans. Edited excerpts:

### In the four years of PhonePe, how have you differentiated yourself in a sea of payments apps?

We want to be India's largest transaction platform, anchored on payments. We could have been anchored on social, chat or commerce. I think DNA-wise we are very different from other payment companies, who were very big on "wallets". Wallet companies are trying to create a closed ecosystem. For us, payments were a capability to be solved, so that customers come to the platform.

### You said payments were an entry point. But, to what?

It is an entry point to shaping a transaction platform. We believe that the cost of acquiring customers and distributing services digitally is too high. There are two natural monopolies — one on advertising (Google, Facebook) and one on distribution (Play Store and App Store).

This is where our Switch platform came in. When we say we want to be the largest transaction platform, we want every business to be able reach Indian customers. We want them (digital businesses) to have a democratised customer acquisition and engagement platform, the best of what mobility can offer.

### Q&A

#### How are you going to monetise the 'platform'?

Today, instead of cash-backs, we are giving merchant coupons. I will give you ₹100 or ₹200 voucher at a store you actually use. So rewards can be monetised, brand ads can be placed. People also want to break the clutter by placing their product on the top.

Then you can distribute financial services, where you charge a distributor fee.

In the tech world, it is a balancing act. You could actually offer intricate targeting to mer-



chants (and offline businesses), but we decided against it. Our advertisers and merchants can't target based on cohort targeting, they can only target based on location, which is city level. We

say, we will do the matching but it is blind to the merchant.

### After financial service, what more products will be introduced?

We have launched only tax-saver mutual funds, other categories like liquid and debt funds will be added. We will also launch insurance soon. There is big opportunity in wealth management, the disposable income in India is increasing and people, this generation especially, is moving from savings to growth.

### Tell us about your interaction with Walmart and how do they perceive PhonePe?

We have three people from Walmart on our board. I met Judith once before the deal was closed and Doug when we were here recently. When we went to the US for our board meeting, briefly met Greg Penner, Walmart chairman. Very humbled meeting him. Walmart is from Central America so a lot aggressiveness of the cost wasn't there.

At Walmart's shareholders meet, we were actually very pleasantly surprised that there was a lot

of reference to PhonePe. We are a very different business to what they have globally. They don't have a tech platform play anywhere. E-commerce is adjacent to payments, so when did the Flipkart deal, they understood the need and desire to play in this space.

### What is the outlook for external fundraising?

We need capital to grow. We believe we have something is good is going on here. We need another 3-4 years and a maximum runway of \$1 billion to achieve profitability. For me profitability is very important and I want to make sure it is a viable business. Our request to the board was how to get capital in a long-term sustainable basis.

There are two-three ways. Existing investors, Walmart and Flipkart investors like Tencent, Tiger, can capitalise. Other, from the outside, only is they add strategic value. So we would not be inviting other financial investors. The discussion is should PhonePe raise capital externally or keep getting capitalised through Flipkart.

