Stellar Value to Buy Majority Stake in Kelvin Cold Chain

Press Trust of India

New Delhi: Third party supply chain and logistics firm Stellar Value Chain Solutions on Monday said it will acquire majority stake in integrated cold chain logistics company Kelvin Cold Chain for an undisclosed amount.

Ambit Pragma, an SME private equity fund, would retain a minority stake in Kelvin Cold Chain, it said in a statement.

Stellar Value Chain founder and CEO Anshuman Singh said: "The investment into Kelvin augurs well for our mission of bringing about a value chain transformation for consumer businesses in India. Kelvin is a well governed mid-sized cold chain business. We will significantly augment Kelvin's management, implement new technology tools and raise the quality of product handling."

He further said Stellar will make more acquisitions in the third party logistics sector in India.

Ambit Pragma Managing Partner said: "We are delighted with this partnership and look forward to Anshuman's leadership as Kelvin expands its footprint in cold chain logistics."

Stellar is building a pan India network of 25 integrated logistics parks across 21 consumption and production centres which will offer multi-user modern dry warehousing, multi-user e-commerce fulfilment and multi-user cold storage services.

It has an investment of up to $125 million from global private equity firm Warburg Pincus.

CLASH OF TITANS As main rival ploughs in money for growth, country's largest ecomm marketplace slashes fashion arm's budget to allocate resources to itself to stay on top

Flipkart Fashions Amazon Fight with a Myntra Cut

Rasul Bailay & Shambhavi Anand

New Delhi: Flipkart is slashing its budget for unit Myntra as it reallocates resources in its fight against rival Amazon, which is closing in on it and ploughing billions of dollars into India, two people familiar with the matter said.

"In the war between Flipkart and Amazon, most of the money will be poured into Flipkart and they have told Myntra that they will not get the same amount of money which they used to get earlier," said one the people, asking not to be identified.

Myntra said no budget changes were planned. "There has been no budget cut for this fiscal and we do not expect any changes going forward," a spokesperson said.

A Flipkart spokesperson said the matter was unfounded speculation. "Budgets are decided on the basis of annual operating plans and there are/has been no change/reduction in planned budgets for the year," he said.

Another person said the Bengaluru-based firm, asked by the board to fix its financial situation, decided to reduce Myntra's budget by 10% as part of the process.

Flipkart was asked to bring down the amount spent on advertising and offering discounts, among other expenses – known as the burn rate – to one-fourth by March after the October sale, the person said. "While it has streamlined its own operations to achieve the target, the company also decided to trim down the supply to Myntra," the person said.

ET reported earlier that Flipkart will slash its burn rate to save $150-200 million by December 2017 as the online marketplace looks to double its growth pace. India's largest ecommerce marketplace will infuse minimum fresh capital into the business until a new investor comes on board, according to the people. This will have a direct fallout on Myntra, the country's largest fashion ecommerce site that Flipkart acquired for about $300 million in 2014.

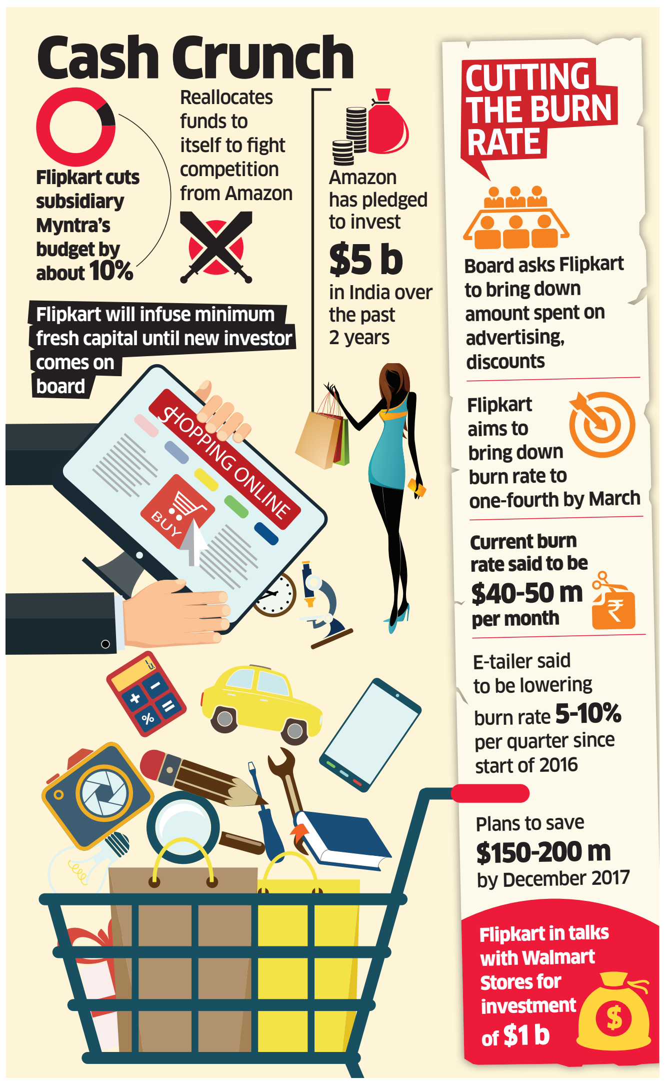
Board had asked Flipkart to fix its financial situation and as part of the process, decided to reduce Myntra's budget

Amazon is upping its ante in India. In June last year, founder Jeff Bezos announced the Seattle-based online giant's plan to invest $3 billion in India, taking the overall investment pledge to $5 billion in the past two years.

Myntra currently operates a hybrid model — selling its own brands as well as offering other sellers a platform for business.

Flipkart is pinning hopes for funding on Walmart Stores, which is said to be in talks to invest up to $1 billion for a minority stake in the company.

Flipkart's burn rate was at its highest two years ago on account of aggressive spending on customer acquisition. Its current burn rate is said to be $40-50 million per month, according to industry estimates. Flipkart is said to be lowering its burn rate by 5-10% every quarter in 2016 and wants to sharply accelerate this pace.



AO Smith Keen to Partner Govt for Clean Air & Water

Firm has named India as a key growth driver and is looking to collaborate with the govt

Ratna.Bhushan @timesgroup.com

New Delhi: US water technology and air purifying solutions company AO Smith Corp is exploring ways to collaborate with the Indian government in areas of air and water purification, said its global chairman and chief executive Ajita Rajendra.

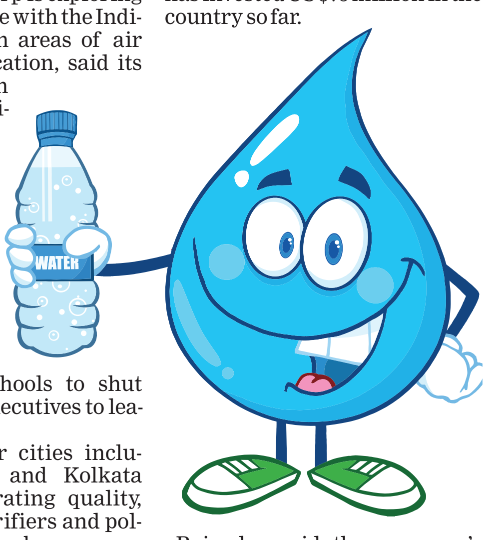
Air pollution levels in the country, especially in the Delhi-NCR region, had hit alarmingly high levels last October, well below the prescribed standards of WHO, forcing schools to shut down and some executives to leave the city.

With even other cities including Bengaluru and Kolkata showing deteriorating quality, makers of air purifiers and pollution masks have been reporting high sales of late.

"We will be happy to share our technical expertise and collaborate with the government," Rajendra, whose company's core business is water heating and purification, told **ET**.

Rajendra, however, added that the company may enter new domains in India after analysing local needs and evaluating solutions. "We feel the need for clean, healthy water for drinking is large and are committed to provide the right solutions to the Indian consumers," he said.

The Wisconsin-based AO Smith has named India and China among its key growth drivers. However, the Indian market contributes only 1% to AO Smith's global sales now. The company has invested US $75 million in the country so far.



Rajendra said the company's business grew 8% globally last year while India revenues increased in high double digits. "We have a long-term view on India and our expectation is to continue growing at the current double-digit growth rates," he said.

In China, AO Smith has leveraged the air quality problem to its advantage over the past four years. Last year, WHO had named China as the country with maximum deaths caused by air pollution.

The $2.54 billion, NYSE-listed AO Smith Corp made its India debut in 2008.

Pitch Report

Jet, IndiGo Among Most Punctual in APAC: Report

NEW DELHI Domestic carriers Jet Airways and IndiGo ranked seventh and tenth, respectively, in on-time performance in Asia Pacific, according to a global airlines OTP survey report. Jet Airways (76.1%) and IndiGo (74.2%) have been recognised among major Asia Pacific carriers including Japan Airlines, Virgin Australia, Qantas, Air New Zealand, Singapore Airlines, Cathay Pacific and Jetstar. On the other hand, government-run Air India was third in terms of worst OTP performer after Israeli carrier El Al and Iceland based Icelandair. However, an Air India spokesperson has trashed the OTP survey report, alleging that it was "fabricated".

JLR Sales Rise 12% in Dec, Hit a Record in 2016

NEW DELHI Tata Motors-owned Jaguar Land Rover (JLR) on Monday reported its best-ever retail sales for December at 55,375 units, up by 12% from the same month last year. The month's performance has been driven by the success of Jaguar F-PACE, Land Rover Discovery Sport and the Range Rover Sport as well as strong demand for the long wheel base Jaguar XFL in China, JLR said in a statement. The company also sold a record 5,83,312 units during 2016 calendar year, up 20% compared to 2015.

India's Beer Industry Holds Growth Potential: Report

NEW DELHI Beer sales in India are expected to see an annual growth of 7.5% over the next five years despite regulatory hurdles, as rising disposable incomes in the hands of middle class will lead to higher spending, says a report. Despite regulatory obstacles as licensing restrictions, high localised taxes and a nationwide ban on advertising of alcoholic drinks, the industry would have investments from the domestic and foreign beer makers, said BMI Research in its "outlook for India's beer market" report.

Top Corp Honchos Put their Money on Super Fight League

Franchise owners to pay an annual fee of ₹1.5 cr to SFL and can spend up to ₹50 lakh on players

Gaurav.Laghate@timesgroup.com

Mumbai: Super Fight League (SFL), India's first mixed martial arts (MMA) league, has roped in top corporate honchos as team owners for its upcoming season, slated to launch on January 20.

The eight teams and their owners are: Aditya Munjal of Hero Cycles (Delhi Heroes), Amit Burman of Dabur (Mumbai Maniacs), Keshav Bansal of Intex (Gujarat Warriors), Achin Kochar of VI-John (Sher-e-Punjab), Shreeram Suresh and Vinodini Suresh of 8K Miles Media (Bengaluru Yoddha), Jaskaran Punihani and Navraj Jaura of the Jaura Group and Deepak Saluja and Pramod Sharma of UV Media (UP Nawabs), Kanav Parwal and Raahil Bhatia of the SPA Capital & Belmaks Group (Haryana Sultans) and Preeti Mahapatra of Mahapatra Universal (Goa Pirates).

ET was the first to report that SFL co-owners — British business magnate and sports enthusiast Bill Dosanjh and professional boxing sensation and two-time world champion Amir Khan — have decided to tweak the format to make SFL the first point-based MMA league.

"The most important point is to have a vision aligned with the promoters and we are so happy to get young entrepreneurs, who see the value in MMA, to partner with us as team owners," Dosanjh told **ET**. "We have been studying who will be the best fit for our teams on the basis of their work and commitment towards sports. It's a great feeling to get these guys backing us."

The franchise owners will pay an annual fee of ₹1.5 crore to SFL and can spend up to ₹50 lakh on players. Each team will have local players from their region and three international players. SFL will distribute 60% of the central revenue pool equally among the franchisees.

In the Ring
TEAMS & OWNERS

- **DELHI HEROES** Aditya Munjal of Hero Cycles
- **MUMBAI MANIACS** Amit Burman of Dabur
- **GUJARAT WARRIORS** Keshav Bansal of Intex
- **SHER-E-PUNJAB** Achin Kochar of VI-John
- **BENGALURU YODDHA** Shreeram Suresh and Vinodini Suresh of 8K Miles Media
- **UP NAWABS** Jaskaran Punihani & Navraj Jaura of Jaura Group and Deepak Saluja & Pramod Sharma of UV Media
- **HARYANA SULTANS** Kanav Parwal & Raahil Bhatia of SPA Capital & Belmaks Group
- **GOA PIRATES** Preeti Mahapatra of Mahapatra Universal

Amit Burman, vice chairman at Dabur and owner of Mumbai Maniacs, told ET that he looks at MMA as the next big sport in India. "MMA is going to get very popular in India. It will be the new avatar of wrestling and a really big thing in India," he said. On the business model, Burman said it's a long-term association. "Nobody is going to break even in year one, but in three to four years, one can do very well."

On his association with the league, Keshav Bansal, the Intex Technologies director who owns Gujarat Warriors, said: "India is seeing a progressive change with the focus shifting to alternate sports and we see an opportunity in promoting SFL to popularise MMA in India. Being a sports enthusiast, it was a good opportunity to own a team in one of the futuristic sporting formats. Clearly, MMA has a long way to go and a professional league like this will provide the right ecosystem for the action sport to enter the mainstream of the country."

MMA is today one of the most followed sports online globally. In India, Dosanjh claims it is the most watched online after cricket.

While contact sports like Kabaddi and wrestling are not new to India, which has a deep-rooted culture for these sports, MMA was a new phenomenon till a few years back.

Scheduled between January 20 and February 25, SFL will see 96 fighters from 8 teams taking part in the fights. SFL has roped in Sony Pictures Networks India as the broadcast partner for on-air as well as online streaming of the league across India, Sri Lanka, Pakistan, Bangladesh, Nepal, Bhutan, Afghanistan and the Maldives.

FCPA VIOLATION CHARGES

Mondelez Settles Cadbury India Case for ₹90 crore

US snack-maker reaches agreement with SEC without admitting or denying charges of bribery against subsidiary

Dinesh.Narayanan@timesgroup.com

FILE PHOTO

SEC had charged Mondelez with poor internal controls and violation of the FCPA in India

New Delhi: Mondelez International has agreed to pay $13 million (approximately ₹90 crore) in civil penalties without admitting or denying charges that its subsidiary Cadbury India (now Mondelez India Foods) paid a consultant who was suspected to have bribed government officials and possibly top state politicians to obtain licences and approvals for a chocolate factory in Baddi, Himachal Pradesh.

The Securities and Exchange Commission (SEC), the US market regulator, had charged snack-maker Mondelez with poor internal controls and violation of the Foreign Corrupt Practices Act (FCPA) in India.

"Mondelez International and Cadbury are pleased to have reached an agreement with the SEC to settle charges related to internal controls and books-and-records provisions of the FCPA, without admitting or denying the charges. As part of the settlement, Mondelez International has agreed to pay a civil penalty of $13 million to resolve the investigation," a company spokesperson said in a statement to **ET** on Monday.

On December 8, 2015, with evidence sourced from Cadbury India's own investigations, internal emails and documents as well as interviews with former company officials, ET had told the story of how the company hired tile and marble dealer Deepak Chandel to liaise with the state. About a month later, the US government enlisted India's Central Bureau of Investigation through a letter rogatory to help in the probe.

The issue relates to Cadbury India's largest manufacturing plant located in Baddi, Himachal Pradesh, which makes Bournvita, 5-Star bars and button-shaped Gems. According to the company's investigation, it sought to designate production lines of 5-Star and Gems as a separate unit (Unit II) to claim excise and income tax benefit of more than 60 million pounds (₹600 crore) over 10 years. It would have helped the company make an internal rate of return of 58.5%, documents show. It was suspected that the agent paid bribes to get the licences and approvals for the plant.

Rajan Nair, who headed the company's special security investigations group in 2010-11, had then told **ET** that Mondelez knew about irregular payments in India at least 3 months before SEC and US Department of Justice began formal investigations in February 2011. External investigators engaged by Cadbury found that irregular payments appeared to tally with periods during which crucial approvals came through.

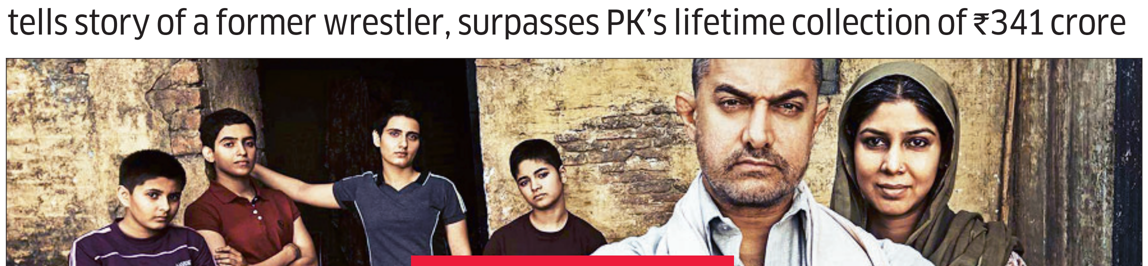
The SEC order of January 6 concurs with the findings but is silent on the last-mile payments. Its investigation found that in 2010 Cadbury India retained and made payments to an agent to interact with Indian government officials to obtain licences and approvals for the Baddi factory. It said Cadbury India failed to conduct appropriate due diligence on, and monitor the activities of, the agent. Between February and July 2010, the agent submitted five invoices to Cadbury India for preparing licence applications. But it was actually Cadbury India employees at Baddi who prepared these applications. Cadbury India paid the agent a total of $90,666 (after withholding tax). After receiving each payment, the agent withdrew most of the funds in cash from the bank account. During this time period, Cadbury India obtained some of the licences and approvals.

As of September 30, 2016, Indian tax authorities have demanded a total ₹820 crore in unpaid excise duties, penalty and interest, according to company filings with SEC.

Aamir Vs Aamir: 'Dangal' Breaks 'PK' Record, Becomes Highest B'wood Grosser

Latest Khan-starrer, which tells story of a former wrestler, surpasses PK's lifetime collection of ₹341 crore

Gaurav.Laghate@timesgroup.com



₹345CR
NET BOX-OFFICE COLLECTION AS OF JANUARY 8

Mumbai: Aamir Khan-starrer biopic 'Dangal', story of former wrestler Mahavir Singh Phogat and his daughters — Geeta and Babita — has hit all the right chords with movie buffs, as the film has become India's biggest box-office success of all times.

Released on December 23 last year by Disney India, 'Dangal' has made ₹345.31 crore in net box-office collection as of January 8, surpassing Khan's previous release PK's lifetime collection of ₹340.8 crore.

"I am absolutely overwhelmed with all the love that 'Dangal' has got," Khan told **ET**. "It is one of the most passionate responses I have ever received. I want to thank everyone for owning the film as their own. It's the biggest compliment a creative person can receive. Thank you from the bottom of my heart."

'Dangal' had collected ₹107.01 crore in the first weekend and ₹197.55 during the first week of release. With a good word-of-mouth and in the absence of any other big release, the film continued to do well at the box office. It ended second week with a collection of another ₹115.96 crore, while in the third weekend, it amassed another ₹31.8 crore.

Amrita Pandey, VP (studios) at Disney India, said, "Dangal is an extremely special film for us at Disney, Aamir Khan and the entire cast and crew of the film. This is our 9th film with Aamir and with Dangal we've broken our own record of PK. Dangal epitomises what we aim to achieve through our movies — wholesome family entertainment with such a strong emotional connect and the telling of a story we strongly believe in."

The film has not just delivered good numbers in the multiplexes, but has done exceptionally well in the single screens also. "We were expecting Dangal to do very well at the box office but this kind of traction is unprecedented. Dangal has not only received great reviews but has indeed worn off any after effects of the recent demonetisation on the Indian film industry," Ashish Saksena, COO-Cinemas, BookMyShow, said.

The film has also managed to collect ₹181 crore from overseas markets (gross box office). "Dangal is breaking and setting new distribution circuit benchmarks all over India — in centres in key south markets, in Delhi, UP, Punjab, Rajasthan & Central India. Even in international markets like North America and Australia, Dangal is setting new benchmarks. In fact, in North America, the movie is set to be the highest grossing foreign language movie for 2016! Dangal is also the highest performing Hindi movie dubbed in Tamil, beating the previous record of The Jungle Book," Pandey added.