

20 ECONOMY

OPPORTUNITY TO ATTRACT CUSTOMERS WITH DISCOUNTS, PROMO OFFERS

Amid IPL fever, food delivery platforms look to maximise customer acquisition

PRANAV MUKUL
NEW DELHI, MAY 4

FOR THE online food delivery sector, which is trying to make in-roads into deeper parts of the country, a significant opportunity comes from riding on India's most popular sporting event — the Indian Premier League (IPL).

According to data sourced from Redseer Consulting, a Bengaluru-based consultancy firm, daily average order volumes on platforms such as Zomato, Swiggy, Foodpanda and UberEats, Faasos, Curefit, etc has surged 20 per cent during the ongoing IPL season, compared with the pre-tournament duration.

Experts believe that the 50-day long tournament brings food delivery platforms an important marketing opportunity to help sustain their customer acquisition drive in their newer and smaller markets across India. For this, the platforms are trying to lure in customers through the tried and tested promotion tool for online B2C sector — discounts.

"Our research shows that IPL increasingly features hefty discounts from online delivery players. These discounts could go up as high as 60 per cent this year. As online food delivery platforms have been spreading their footprints in 100+ cities (more so since December 2018), Redseer believes the IPL season is the opportune



A Swiggy delivery person at Nariman Point, Mumbai. To cash in on the IPL season, online food delivery platforms are using promotional offers and providing discounts to users. *Pradip Das*

time to stoke the latent demand and acquire new customers in these new cities (and also drive wallet share increases for existing customers)," the firm pointed out.

While Swiggy has put out promo codes offering 60 per cent discount when a six is scored during a match, Zomato offers 40 per cent discounts and a match prediction game in its app that allows users to get 30 per cent cashback.

"Given the above discounting, we estimate the food-tech industry to reach 2.6 million daily industry average order volumes during the IPL season. This is ably helped by 50,000+ restaurant

partners who have curated their menu for India's biggest cricket league," Redseer stated.

In addition to the discounts, the online platforms have also engaged in marketing campaigns and partnerships. Zomato has partnered with most IPL teams and its top ordering from its top restaurant partners has been made available at Bengaluru's Chinnaswamy Stadium. Swiggy, on the other hand, is one of the official sponsors of IPL and has also partnered with IPL's official online broadcaster Hotstar to allow orders through the streaming app.

Notwithstanding the push by

EXPLAINED No signs of profit, yet firms spend more on advertising

GIVEN THAT food-tech continues to expand across India, advertising and marketing spending remains the top expense for India's top two online food platforms Swiggy and Zomato, even as they continue to bleed money and are yet to make net profits.

In 2017-18, Swiggy's advertising promotional expense rose almost three times to Rs 154 crore, compared to the previous 12-month period. It made a net loss of Rs 397 crore in FY18 over a topline of Rs 442 crore. Similarly, Zomato's advertising and sales promotion expense stood at Rs 81.47 crore for FY18, as against Rs 23.36 crore a year ago. The company made a net loss of Rs 78.49 crore on revenues of Rs 388.45 crore during the year.

online food platforms, the consumer internet space too has been leveraging IPL as a marketing opportunity for a while. As per information by Broadcast Audience Research Council India (BARC India), internet and online shopping segment has been among the top three advertised categories in terms of durations of advertisements for at least three years in a row till 2018 — for which the latest data is available. Other categories include smartphones and mobile service providers.

All in all, the total number of brands being advertised during the IPL have increased to 247 in

2018 from 138 in 2016.

However, IPL is not the only platform for food apps to cash in on. Even as the tournament closes on May 12, Redseer said that going ahead the momentum will continue given that ICC Cricket World Cup will commence later this month. "We expect the trend to intensify in coming weeks as IPL enters final stages. Further, the momentum is likely to continue post IPL with the start of the ICC Cricket World Cup on May 30. With matches happening in the UK, there should be enough consumption occasions being created post 7 pm IST," it noted.

With CoC rejecting its latest bid for Jaypee Infra, no clarity on Suraksha's next move

Jaypee Infratech's CoC expected to meet again on May 9

ENSE ECONOMIC BUREAU
NEW DELHI, MAY 4

FOR SURAKSHA Realty owner Sudhir Valia, the decision of financial creditors of Jaypee Infratech turning down Suraksha's bid for the debt-ridden company for the second time on Friday, comes as yet another setback.

Members representing only 23.47 per cent of the voting rights assented to the bid submitted by Suraksha Realty and Lakshdeep Investments and Finance Pvt. Ltd.

This decision is a defeat for the consortium, which was expected to be the only bidder left in the fray after lenders rejected an earlier proposal by state-owned NBCC.

Jaypee now has the option of heading for a third round of bidding, which would see NBCC participating after the government earlier this week cleared its revised resolution plan to take over the debt-laden entity under the insolvency process.

It is not clear whether the Suraksha Realty-led consortium will submit a revised bid in case of a third round. Jaypee Infratech's Committee of Creditors (CoC) is expected to meet again on May 9.

The rejection is the latest in a series of setbacks for Suraksha Realty and Valia, who were

LATEST SETBACK FOR SURAKSHA

■ **The rejection is the latest in a series of setbacks for Suraksha Realty and Sudhir Valia, who were dragged into controversy late last year in connection with another firm — Sun Pharma**

■ **In November 2018, a brokerage firm reportedly raised questions about Valia — who is also the brother-in-law of Sun Pharma promoter Dilip Shanghvi — and alleged guarantees made by Sun Pharma to several entities, including Suraksha Realty**

Pharma promoter Dilip Shanghvi — and alleged guarantees made by Sun Pharma to several entities, including Suraksha Realty.

Later, it was reported that a "potential whistleblower" had also raised similar questions.

Between November 30 and December 6 last year, Sun Pharma's stock price on the NSE had dropped over 14 per cent.

The whistleblower reportedly alleged that Sun Pharma had dealings with a subsidiary, and that money was allegedly laundered and lent from the subsidiary to Suraksha Realty.

The *Indian Express* reported in December 2018 that another issue had been raised over why Lakshdeep Investments and Finance is not considered a "promoter entity", when its ownership lies with Valia. According to the BSE, in September 2018, Valia owned around 1.4 crore shares in Sun Pharma.

At the same time, Sun Pharma and Valia reportedly claimed these allegations were false. Valia reportedly claimed there was "no diversion of funds" from Sun Pharma.

Sun reportedly said that Lakshdeep is an investment company of Valia and that, as per the then legal advice the drug maker had received, it classified the same as a non-promoter entity and made disclosures accordingly.

dragged into controversy late last year in connection with another firm — Sun Pharma.

In November 2018, it came to light that Australian brokerage firm Macquarie had issued a note which questioned the corporate governance norms of the Indian drug major, in which Valia is a director.

The note reportedly raised questions about Valia — who is also the brother-in-law of Sun

ADB should expand private sector operations: Economic Affairs Secy

PRESS TRUST OF INDIA
NADI (FIJI), MAY 4

ASSERTING THAT Asia continues to be the growth engine of the world, Economic Affairs Secretary Subhash Chandra Garg Saturday said the ADB must expand its private sector operations to boost economic development.

Addressing the Board of Governors of the Asian Development Bank (ADB) here, he said there is a rising need for the agency to focus on strengthening human capital and develop social safety nets.

"Therefore, we urge the ADB management to expand its social sector engagements in countries like India, while at the same time, continuing with the focus on making cities smart, providing 24x7 water and power supply, enhancing connectivity, and mit-

igating the risk of climate change. Our regional cooperation initiatives must aim to integrate the countries of the region with the global value chains," he said.

"While ADB should continue helping the member countries harness their growth potential by providing larger financial resources, it must expand its private sector operations across the region. By investing more through equity and infrastructure trusts, ADB can play a meaningful role in development of private sector initiatives," Garg, India's Alternate Governor on ADB's Board of Governors, said.

ADB's private sector operations reached \$3.14 billion in 2018, a 37 per cent increase from the previous fiscal, and stood at 14.5 per cent of its overall commitment.

Emphasising that ADB has helped the developing countries

in building infrastructure and reducing extreme poverty for the past 52 years, Garg said innovation in financing will be the key to success of long-term growth strategy.

"This will require careful fine-tuning of both public and private sector financing. Private financing has to be carefully shepherded to the right sectors like manufacturing, services and new digital economy industries with active support of equity financing from ADB and other multilateral agencies," he said.

Private investment in more difficult sectors like infrastructure and human capital improvement, however, will not flow unless these projects are sufficiently de-risked for the private sector with both direct investment as well as provision of guarantees and other structured support, Garg further said.

BRIEFLY

India Grid Trust raises over ₹2,500 crore

Mumbai: India Grid Trust, an infrastructure investment trust, on Saturday announced the closing of a preference unit issuance worth Rs 2,514 crore. KKR and GIC have invested Rs 1,084 crore and Rs 980 crore, respectively, to collectively own 42 per cent of India Grid's outstanding units, a release said. KKR has also applied to become a sponsor of India Grid and plans to acquire an additional 15 per cent of India Grid's total units from Sterlite Power. After the closing of the transactions, KKR and GIC will collectively own approximately 57 per cent of India Grid's outstanding units. **ENS**

LICHFL posts 17% surge in net profit

Mumbai: Mortgage lender LIC Housing Finance (LICHFL) on Saturday posted a 17 per cent surge in net profit at Rs 693.58 crore on a jump in core income, but reported increase in asset quality stress from developers who took project loans in March quarter. An arm of life insurance major LIC, the housing finance company had posted a post tax net profit of Rs 594.34 crore in the year-ago period. Its fiscal 2018-19 net profit on the whole grew 21 per cent to Rs 2,431 crore. **PTI**

'NEED TO RATIONALISE GST RATE FOR HOTELS, INCENTIVISE PRIVATE INVESTMENT TO PUSH TOURISM'

The government should take steps such as rationalising Goods and Services Tax (GST) rate for hotels and incentivising private participation to boost the tourism sector as it holds huge potential to push economic growth and job creation, a report titled 'India Inbound Tourism: Unlocking the Opportunities' by FICCI-Yes Bank said

6.7% annual growth: Enlisting 14 important measures, the report said that by 2029, the Indian tourism sector is likely to grow at 6.7 per cent per annum to reach Rs 35 lakh crore

Indian hotels, resorts among most taxed: Indian premium/luxury hotels and resorts are among the most taxed in the world, higher than those in cities such as New York, London and Paris

18% ceiling on GST to boost competition: The report recommends reducing GST with a ceiling of 18 per cent on hotel rooms to make the segment more competitive with other

HIGH TAXES ON HOTELS: GST APPLICABLE ON HOTELS IS AS PER FOLLOWS

18% on rooms with tariff Rs 2,500-7,500 per night

28% on rooms with tariff of Rs 7,500 and above per night



Asian markets

26.7 mn jobs in 2018: Last year, 26.7 million jobs were created by the Indian tourism sector

53 mn expected jobs by 2029: The sector is expected to provide employment to nearly 53 million people by 2029, directly and indirectly

Major steps to be taken to push tourism:

- Creation of National Tourism Authority and Advisory Council
- Release of tourism competitiveness index
- Greater coordination at state level
- Creation of land bank repository

Federal Bank records 163% y-o-y Q4 growth

ENSE ECONOMIC BUREAU
MUMBAI, MAY 4

FEDERAL BANK on Saturday reported a 163 per cent growth year-on-year (y-o-y) in the net profit at Rs 381.51 crore for the March-end quarter, on account of robust operating performance and net interest income (NII). It reported a net profit of Rs 145 crore for the same period a year ago.

The net profit for fiscal 2018-19 grew by 41.54 per cent to Rs 1,243.89 crore y-o-y. The bank's total income for FY19 grew 17.03

per cent to Rs 12,770 crore.

NII for FY19 increased 16.57 per cent from Rs 3,582.81 crore to Rs 4,176.35 crore as on March 31 while the quarterly NII increased to Rs 1,096.53 crore from Rs 933.22 crore y-o-y. Net interest margin stood at 3.14 per cent and 3.17 per cent for FY19 and quarter ended on March 31, respectively.

The bank's capital adequacy ratio, computed as per Basel III guidelines, stood at 14.14 per cent as on March 31, 2019. Gross non-performing assets for FY19 stood at 2.92 per cent as on March 31 as against 3 per cent in FY18. **FE**

₹595 cr found during I-T searches at 70 premises

PRESSTRUST OF INDIA
CHENNAI, MAY 4

NATIONWIDE SEARCHES in 70 premises related to Coimbatore-based Martin Santiago, also known as "Lottery King," has concluded and the assessee has admitted to an unaccounted income of Rs 595 crore, a senior tax official said here Saturday.

During the searches, incriminating evidence was found and "the assessee has admitted unaccounted income of Rs 595 crore received from stockists towards manipulation of Prize Winning Tickets," the Income Tax investi-

gation official said.

The assessee also admitted to offer further unaccounted income to tax after reconciliation of the over Rs 600 crore of unaccounted receipts (on money payments received in real estate and interest receipts on loans given) and payments made for various investments, the I-T official said.

During the searches, Rs 8.25 crore of unaccounted cash was found, of which Rs 5.8 crore cash was seized and the balance amount was kept under prohibitory orders.

Unaccounted gold and diamond jewellery of an approximate value of Rs 24.57 crore was

An I-T official said that searches were made in 70 premises related to Coimbatore-based Martin Santiago, also known as 'Lottery King'

also found in the searches, which was also placed under prohibitory orders, he said.

Documents or articles that warrant further evaluation are usually placed in the very premises where searches are held under prohibitory orders.

Buffett praises Kraft Heinz operations, says Wells Fargo made 'big mistakes'

REUTERS
OMAHA, MAY 4

WARREN BUFFETT on Saturday signaled his commitment to Kraft Heinz Co and defended his actions toward Wells Fargo & Co, two of the largest investments at his Berkshire Hathaway Inc, despite mistakes at both that have caused many investors to sour on them.

Buffett, 88, spoke before tens of thousands of people at Berkshire's annual meeting in Omaha, Nebraska, the centerpiece of a weekend of shareholder events, where he and vice chairman Charlie Munger, 95, were fielding several hours of shareholder and analyst questions.

"You can turn any investment into a bad deal by paying too much."

WARREN BUFFETT
CHAIRMAN, BERSHIRE HATHAWAY

Kraft Heinz has been a thorn for Berkshire Hathaway, which in February this year took a \$3 billion writedown on its 26.7 per cent stake, because of the packaged food company's inability to keep up with changing consumer tastes and reliance on older brands like Oscar Mayer and Jell-O.

The company was created from the 2015 merger of Kraft Foods and H.J. Heinz, the latter of which had been owned by

Berkshire and Brazil's 3G Capital, which runs Kraft Heinz day-to-day affairs.

Buffett defended 3G's management, saying the combined company is doing well operationally, and that its current problems cannot be blamed on a lack of investment. But he also maintained that "we paid too much money" for Kraft.

"You can turn any investment into a bad deal by paying too much," he said, while adding it was "not inconceivable" Berkshire could partner with 3G again on a transaction.

He said 3G had more willingness to take on leverage and "pay up," but in many cases also had "way better operators."

years. The searches commenced on April 30 across 70 premises in Coimbatore, Chennai, Kolkata, Mumbai, Delhi, Hyderabad, Guwahati, Siliguri, Gangtok, Ranchi, and Ludhiana.

The group is particularly active in lotteries of West Bengal and North Eastern states where it has monopoly control, according to the tax department.

The group also has dealings in real estate and finance business in a big way. Meanwhile, a 45-year-old man working in one of the firms run by Martin (who was allegedly questioned by tax sleuths) was found dead in Coimbatore district on Friday, police said.

'Dangerous to let viable firms close down'

PRESS TRUST OF INDIA
NEW DELHI, MAY 4

COMMITTEES OF Creditors (CoCs) should provide all relevant information and share their vision for companies under the insolvency process, Insolvency and Bankruptcy Board of India chairman M S Sahoo said at an event, asserting it will be dangerous to let viable firms to close down.

Amid rising number of stressed assets being referred for resolution under the Insolvency and Bankruptcy Code (IBC), Sahoo said the law also gives opportunities to rectify the mistakes during the insolvency process.

Boeing 737 slides off runway into Florida river

REUTERS
LOS ANGELES/CHICAGO, MAY 4

A BOEING jetliner with 143 people aboard from the US outpost at Guantanamo Bay, Cuba, slid off a runway into a shallow river in Jacksonville, Florida, on Friday while attempting to land at a military base there during a thunderstorm, injuring 21 people.

There were no reports of fatalities or critical injuries. The Jacksonville Sheriff's Office said on Twitter that all 21 of the injured were taken to a hospital, where they were listed in good condition.

The plane, a chartered Boeing 737-800 arriving from Naval Station Guantanamo Bay in Cuba with 136 passengers and seven crew members, crashed into the



The Boeing 737 in a river at the end of a runway, Saturday, in Jacksonville, Florida. No casualties were reported. *AP*

St. Johns river at the end of the runway at Naval Air Station Jacksonville at about 9:40 p.m. local time, a spokesman for the Florida air base said.

"The plane was not submerged. Every person is alive and accounted for," the sheriff's office

said on Twitter. The sheriff's tweet was accompanied by two photographs showing the plane, bearing the logo of Miami Air International, resting in shallow water and fully intact.

The mayor of Jacksonville, Lenny Curry, said on Twitter that

US President Donald Trump called him to offer help. "No fatalities reported. We are all in this together," Curry said in another tweet.

A passenger on board the plane, attorney Cheryl Bormann, told *CNN* in an interview that the flight, which had been four hours late in departing, made a "really hard landing" in Jacksonville amid thunder and lightning.

Bormann said she hit her head on a plastic tray on the seat in front of her as the plane veered sideways and off the runway. "We were in the water; we couldn't tell where we were, whether it was a river or an ocean."

The military base is situated on the western bank of the St. Johns River about 8 miles south of central Jacksonville, in the northeastern corner of Florida.