## IN BRIEF


**Maruti Suzuki India Managing Director & Chief Executive Officer Kenichi Ayukawa (*right*) and Executive Director (marketing and sales) Shashank Srivastava launch the all-new compact SUV IGNIS with a 1.2-litre BS-VI petrol engine during the Auto Expo 2020, in Greater Noida on Friday. It also opened the pre-launch booking of the vehicle at its Nexa showrooms across the country** PHOTO: PTI

### Ashok Leyland, investors acquire stake in Hinduja

Ashok Leyland and other investors have entered into a supplemental share purchase agreement with Everfin Holdings to acquire the latter's 7 per cent stake in Hinduja Leyland Finance Limited. The cash deal is valued at around ₹390.49 crore. Other investors have agreed to acquire collectively, 328,14,401 shares, each of ₹101 at an agreed price of ₹119 per share. **BS REPORTER**

### SpiceJet appoints Shilpa Bhatia chief commercial officer

Low-cost carrier SpiceJet has appointed Shilpa Bhatia its new chief commercial officer. Bhatia will report to Ajay Singh, chairman and managing director, and will look after revenue management, sales and network planning, the airline said in a statement on Friday. Shilpa has worked with IndiGo, Sahara Airlines, Amadeus and GMG Airlines in leading roles in the past. **PTI**

### IndiGo flight with P&W engine returns after engine snag

An IndiGo flight heading to Kolkata returned to Ahmedabad after one of the Pratt and Whitney (P&W) engines in the Airbus A320neo aircraft faced a snag mid-air, according to senior officials. "One of the engines of 6E125 flight developed high vibrations mid-air. Therefore, pilot returned the aircraft to Ahmedabad," the officials stated. **PTI**

### Start-ups need to think of opting for IPO: Gopalakrishnan

Infosys co-founder and Axilor Ventures Chairman Kris Gopalakrishnan made a strong case for start-ups to think of Initial Public Offering (IPO) in order to tackle the fund crunch situation and provide longevity to their fledgling enterprises. "Start-ups are hesitant to do IPO, which is not difficult. Let the Indian public own these firms. They get the wealth being created," he said. **PTI**

### Sangeeta Prasad resigns as MD, CEO of Mahindra Lifespaces

Mahindra Lifespaces on Friday announced resignation of its managing director and chief executive officer Sangeeta Prasad. She became the company's MD and CEO in October 2018, following the resignation of Anita Arjundas as MD. She joined the group in 2008 as chief operating officer of Mahindra World City Developers. **PTI**

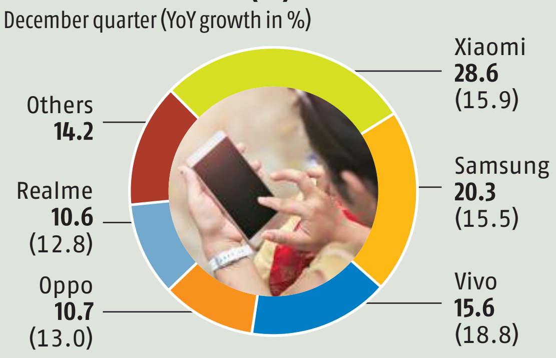
### Religare Enterprises to divest stake in RHICL to Kedaara

Religare Enterprises on Friday said it made a pact with Kedaara Capital for divesting 6.76 per cent stake in its arm Religare Health Insurance Company for ₹200 crore. The deal is subject to regulatory approvals and fulfilment of other conditions precedents, it said. **PTI**

## XIAOMI BECOMES LEADER IN INDIAN SMARTPHONE MARKET

**About 152.5 million smartphones were shipped in India in 2019 registering "modest" 8 per cent growth over last year, positioning the country as the second-largest smartphone market after China, IDC said on Friday. The overall mobile phone market, with annual shipments of 282.9 million units, declined 12.3 per cent year-on-year (YoY) in 2019 due to fewer 4G feature phones. A total of 36.9 million smartphone units were shipped in the fourth quarter of 2019, registering 5.5 per cent YoY growth, but a 20.8 per cent sequential decline. Xiaomi registered shipments of 43.6 million units in 2019, the highest made by any brand in a year, with a growth of 9.2 per cent YoY** **PTI**

**Brand market share (%)**
December quarter (YoY growth in %)




# Indian pharma to beat FY19 exports despite US woes

## April–December exports rise 11.5%; estimates peg FY20 numbers at $22 billion

**SOHINI DAS**
Mumbai, 7 February

Indian pharmaceutical companies are set to beat 2018-19's (FY19's) exports this financial year, despite the strict regulatory action by the US Food and Drug Administration (USFDA), its largest market.

The data from the Pharmaceutical Exports Promotion Council (Pharmexcil) shows exports clocked 11.5 per cent growth during the April to December period of 2019-20 (FY20).

The December quarter was particularly good for Indian pharma, clocking 14.6 per cent growth. It was a sharp improvement from the 8.69 per cent growth during the second quarter of the financial year. The March quarter is likely to witness a similar high growth trend, Uday Bhaskar, director general of Pharmexcil, feels.

At this rate, total exports for the financial year are estimated to touch $22 billion. Bhaskar says for FY20 so far the exports stand at $15.5 billion, growth of 11.5 per cent over last financial year's $13.9 billion for the same period.

He expects that for the full year 2019-20 pharmaceutical exports may touch $22 billion. This would be significantly higher than last fiscal's $19.1 billion.

The top five countries for Indian drug exports are the US, Russia, South Africa, the UK, and Germany for this year so far. According to Bhaskar, the top five export destinations in FY19 comprised the US, the UK, South Africa, Russia, and Brazil.

In terms of growth, the Netherlands has clocked maximum growth in exports in FY20, at 66.5 per cent, followed by Iran at 45.3 per cent and Tanzania at 44.4 per cent.

Exports account for nearly half of the Indian pharma industry, including the domestic market, the Indian drug industry is estimated to be around $39-40 billion.

While big companies like Sun Pharma are struggling to grow their US sales, some others have managed to register decent growth in the recent quarters. For example, Dr Reddy's Laboratories (DRL) posted an eight per cent year-on-year (YoY) jump in US sales in the third quarter. On the other hand, Sun Pharma saw its US sales fall 3 per cent to $350 million in the December quarter.

Rating agency CRISIL had recently noted that the woes of the Indian generic pharma companies are likely to continue as regulatory action by the USFDA would delay launches in that market.

CRISIL has predicted that 18 per cent of the launches by Indian drug firms would be delayed in the US. In the first 10 months of 2019, the number of warning letters issued by the USFDA to large pharma companies more than doubled, compared to the previous year.

### PERFORMANCE OVER TWO YEARS

April to December
FY19 **$13.9 bn** | FY20 **$15.5 bn**
Q3 clocked **14.6%** growth vis a vis 8.6% growth in Q2

FY20 estimates **$22 bn**
FY19 **$19.1 bn**

## Strides to buy 18 ANDAs from Pharmaceutics

Strides Pharma Science on Friday said its arm had entered into a pact with Pharmaceutics International to acquire 18 abbreviated new drug applications (ANDAs) for the US market. With access to these products, Strides will significantly expand its niche offerings on its front-end, which has grown multi-fold to attain a quarterly revenue size of $66 million. **PTI**

# Myntra cuts 80 jobs at Gurugram centre

**PEERZADA ABRAR**
Bengaluru, 7 February

Walmart-owned online fashion retailer Myntra is laying off at least 3 per cent or about 80 employees of its workforce, at its Gurugram centre to streamline operations and drive better efficiencies, according to the people familiar with the matter.

Myntra has a strength of 3,000 employees and the lay-offs have taken place across functions such as business operations, product and technology, and marketing.

According to an email sent to employees, Myntra said it was consolidating its resources and scaling down operations. "As a result, roles of some of our friends and co-workers will be impacted. We have had to make some tough calls but we are confident that we are taking the right steps towards our aspirations," read the email.

When contacted on Friday, Myntra head Amar Nagaram said the company was committed to supporting these employees with compensation packages, extended health benefits, and access to outplacement services. "This was a tough decision, but we believe this move is critical to ensure the sustainable growth of our business in a rapidly changing business environment," said Nagaram.

People aware of these developments said the company had told the employees it was committed to helping them with a smooth transition to new employment. The compensation packages will include three to eight months full salary, based on tenure, extended health benefits and access to outplacement services.

Myntra will continue to have a smaller presence in Gurugram and will have approximately 165 people or 5 per cent of the workforce, including catalogue operations and supply chain teams working out there.

According to sources, the lay-off decision was not a sudden. From the past one year, Myntra had been analysing the roles that were redundant or not contributing to the overall vision of the firm and building a profitable business.

Last May, during the final leg of the restructuring process after its parent company Flipkart was bought by Walmart for $16 billion, Myntra had announced creation of a unified workforce by bringing all of the employees of its other fashion unit Jabong into its fold. Jabong had around 400 staff in 2018, of which 180 were laid off the same year and 200 were absorbed by Myntra. The majority of them were located in Gurugram.


**The company has told the employees that it is committed to helping them with a smooth transition to new employment**

# Byju's gets $200-mn funding, valuation goes up to $8.2 bn

**PEERZADA ABRAR**
Bengaluru, 7 February

As part of its ongoing funding round, ed-tech firm Byju's has raised $200 million from US-based growth equity investor General Atlantic.

The funding comes just a month after it raised $200 million from Tiger Global Management, which valued the Bengaluru-based start-up at around $8 billion. With the fresh funding, the company's valuation has slightly gone up to $8.2 billion, according to sources in the know.

"General Atlantic has been one of our strongest partners and this additional investment shows their confidence in our vision, growth and future," said Byju Raveendran (*pictured*), founder and chief executive of Byju's.

"Today, over 65 per cent of our students are from outside the top 10 cities. This is a validation of how technology can make high-quality learning content more accessible to students, irrespective of their geographies," he said.

At the current valuation, Byju's has replaced ride-hailing firm Ola as the third-largest unicorn, next only to digital payments company Paytm and hotel network Oyo, which are valued around $16 billion and $10 billion, respectively.

Byju's said the funding would help the firm towards creating personalised learning programmes to transform the way students learn globally. Byju's, which has 42 million registered users, tripled its revenue to ₹1,480 crore in FY19, apart from becoming profitable on a full-year basis.

# ITC to take chocolates all-India

**SAMREEN AHMAD**
Bengaluru, 7 February

Food-to-hospitality major ITC is laying the ground to go national by expanding its chocolate business into smaller cities.

The company's chocolate products, which were launched in 2016, are available only in six cities — Bengaluru, Delhi, Mumbai, Kolkata, Chennai, and Hyderabad.

"We are the top players in all the categories that we have entered. Our ambition is to put ourselves in that position in chocolates segment too over the next decade," said Anuj Rustagi, chief operating officer (chocolates, confectionery, coffee & new categories), food division at ITC.

The Kolkata-headquartered conglomerate, which has set a target to achieve ₹1 trillion from the FMCG business, says food will form 60-70 per cent of that revenue. The company expects chocolates to become one of the top five categories in the food business.

The ₹11,000-crore Indian chocolates market is dominated by Mondelez, which commands over 60 per cent share, followed by Nestlé and Ferrero.

Experts are of the view that ITC is preparing itself well to become a national chocolates player five-six years down the line. "Yes, it is likely (to happen), given that ITC has done quite well in most of the food segments, (while it) has dairy sourcing capability, and has ability to spend on advertising," said Abneesh Roy, executive vice-president at Edelweiss Securities.

According to Rustagi of ITC, the top metros are the biggest consumers of chocolate products. For example, the demand from Bengaluru alone is on par with the rest of Karnataka. Hence, the company wants to go deeper into these metros before expanding to other cities.

ITC is setting up kiosks in malls to increase the outreach of its luxury chocolate products which were only available at the company's boutique hotels until now. It also has plans to take the kiosk model to airports as well.

The company is coming out with newer variants of chocolates to create a unique identity. Apart from dark, milk and white chocolate, it has brought a fourth variant of ruby chocolates, which has a mild fruity taste and pink in colour. "We do not want to bring a 'me too' product but unique offerings," said Rustagi.

ITC, which entered the mass premium chocolate range in October 2018 with a price point of ₹70-200, is eyeing to widen its access through lower price points. Its luxury offerings cost anywhere between ₹350 and ₹15,000.

Presently, the company produces mass premium chocolates from its Haridwar plant, which has a capacity of 5,000 tonnes per year. For future demand, it is identifying newer sites to set up production plants.


### IN A SWEET SPOT

**₹11,000 cr** India chocolate market size

**13%** YoY growth

**10%** CAGR expected in 2019–2023

**Top players' revenues**
(₹ cr)

| | |
|---|---|
| Mondelez | 6,746 |
| Ferrero | 1,473 |
| Nestlé | 1,400 |

Sources: Company websites

# Amazon infuses ₹2,500 crore into Indian businesses

**PRESS TRUST OF INDIA**
New Delhi, 7 February

Amazon has infused over ₹2,500 crore into two of its Indian businesses, Amazon Seller Services and Amazon Data Services India, according to regulatory filings. The investment comes just days after its founder and the world's richest man Jeff Bezos announced $1 billion investment in digitising small and medium enterprises (SMEs) in the country. An e-mail sent to the company did not elicit a response.

According to regulatory documents sourced from business intelligence platform paper.vc, the board of Amazon Seller Services has allotted shares worth about ₹2,208 crore to Amazon Corporate Holdings and Amazon. The resolution to this effect was approved on January 24. A separate filing by Amazon Data Services India said shares worth ₹355 crore have been allotted to A100 ROW and Amazon. This resolution was approved on January 31.

**The move comes days after founder Jeff Bezos announced $1-billion investment in digitising SMEs in the country**

Amazon had recently pumped in over ₹1,700 crore into its payments and wholesale business units in India, signalling opportunity that the US giant sees in the country. Amazon Pay India had received ₹1,355 crore, while Amazon Wholesale (India) allotted shares worth about ₹360 crore.

# PhonePe sets out to create world's largest ATM network of 2 million

**PEERZADA ABRAR**
Bengaluru, 7 February

Walmart-owned digital payments firm PhonePe is creating the world's biggest ATM network of 2 million in India by year end. This will help it take on Alibaba-backed Paytm, Google Pay, and Amazon Pay in the digital payments space.

A week ago, Sameer Nigam-led PhonePe launched a first-of-its-kind service in India that enables neighbourhood stores to act as ATMs for PhonePe users. The service was launched on a pilot basis in the Delhi National Capital Region (NCR) to enable people to get cash from merchant partners through transactions with their mobile devices.

PhonePe has started rolling out the service at 500,000 offline shops in 300 cities across the country. This is already larger than the country's ATM network of over 200,000. This is the fewest ATMs per 100,000 people among BRICS (Brazil, Russia, India, China and South Africa) nations, according to the International Monetary Fund. The firm plans to roll out the service in around 2 million stores across the country by the end of this year.

"We are going way beyond payments and building connections between the consumers and our merchants. The value we are creating is that you as a consumer would be able to discover merchants (on PhonePe) and the merchants would be able to list themselves and build visibility to all the PhonePe users in the vicinity," said Vivek Lohcheb, head of offline business development at PhonePe.

"We would be able to enable discovery and commerce, where the customer can communicate with the merchants through the app or go to the store. This would promote the business of the merchants," Lohcheb said.

PhonePe has around 9.5 million merchants on its platform. It said there no charges will be levied on either customers or merchants. The withdrawal limit for customers will be the same as that by their respective banks. To begin with, the company has started with a ₹1,000 limit and it intends to scale this up.

Customers are often inconvenienced because of unavailability of ATMs in their vicinity, the machines being out of order or short of cash. Now, a customer in need of cash can simply open the PhonePe app, go to the store tab and click on the PhonePe ATM icon to locate nearby shops offering this facility. Once there, customers need to click on the withdraw button and transfer the required amount to the merchant via the PhonePe app. After this amount is transferred, the merchant will give the customer the cash equivalent to the amount transferred.

PhonePe sees around 69 per cent of its overall transactions originate from tier-2 and tier-3 cities now. The ATM service is seeing a lot of traction from places such as Bareilly in Uttar Pradesh, Vapi in Gujarat, Sangli in Maharashtra, Chitradurga in Karnataka, and Puri in Odisha, the company said.

"Compared to metros, the density of ATMs is very less in tier-2 and tier-3 cities. We are creating the right type of financial inclusion, where people who have never seen an ATM, would now be able to withdraw cash," said Lohcheb.

Cash is still king in India and it has jumped back to its former stature, three years after demonetisation. About 72 per cent of India's consumer transactions take place through cash, double the rate in China, according to a report by Credit Suisse Group AG. Experts said in offline commerce, it goes beyond 80 per cent, where people operate on cash.

PhonePe is using geo-tagging, the process of adding geographical identification metadata, to make the experience of discovering and reaching the merchant offering ATM services seamless. It is also able to help navigate the consumer to reach the merchant's location. This ensures that the customer's experience is complete without any friction.

### NEIGHBOURHOOD STORES TURN ATMs

- PhonePe ATM service enables neighbourhood stores to act as ATMs
- The firm is rolling out the service across **500,000** offline shops in **300** cities
- The service has already become larger than India's ATM network of about **200,000**
- PhonePe ATM is seeing a lot of traction from Tier-2 and Tier-3 cities like Bareilly, Vapi, Sangli, Chitradurga, and Puri
- Cash is still the king in India even after three years of demonetisation
- About **72%** of India's consumer transactions take place in cash, double the rate in China