

Airtel Not Planning Any Buyouts in India: Vittal

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Mid-term Funds a Better Bet Amid High Yields

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eBay Snaps Up Another Chunk of Snapdeal

Leads ₹830-cr funding into ecommerce company; Buyout maybe on cards

OUR BUREAU

BANGALORE | NEW DELHI

EBay has acquired another large slice of India's second-largest online retailer, a precursor many believe to a full purchase of the Delhi-based Snapdeal. By leading an investment of \$133.77 million (about ₹830 crore), the US-based company is betting that the fast-growing Snapdeal will help it compete against the likes of Flipkart and Amazon in one of the fastest-growing markets for e-commerce in the world.

People familiar with the negotiations said the investment values Snapdeal at \$650-750 million (about ₹4,000-4,700 crore). eBay is estimated to own between 35% and 40% of

the company, and founders Kunal Bahl and Rohit Bansal under 20% together. eBay and Snapdeal declined to divulge financial details.

Jay Lee, senior vice-president and managing director for Asia-Pacific at eBay, said accelerating growth in India and other emerging markets is a core strategy for the company. "We continue to invest in Snapdeal due to its complementary business model, good management team and strong brand," he said.

The eBay-led investment is the latest transaction in India's booming online retail sector, which is estimated to grow in size to \$56 billion (almost ₹3.5 lakh crore) in 2023 from \$2 billion (₹12,400 crore) now. Less than a month ago, fashion portal Myntra raised \$50 million (₹350

crore) from the Azim Premji family office and other investors. In October last year, Flipkart, founded by Sachin Bansal and Binny Bansal, completed an investment round of \$360 million (₹2,200 crore), which valued the Bangalore-based firm at \$1.6 billion (over ₹9,900 crore).

eBay, which is a distant second to Amazon in its home market of US, is expected to start the process of consolidating its ownership of Snapdeal within a couple of months, said people with knowledge of the discussions. "It will take 12-18 months for the process to be completed as they will need to buy out shares of numerous investors," said the person.

Snapdeal Raised ₹50m Last Year >> 8

Kunal Bahl: An Irreverent Businessman

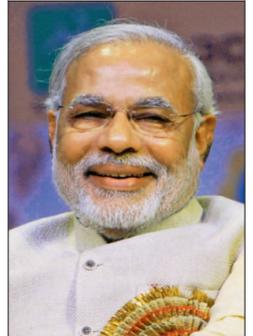
Kunal Bahl and Rohit Bansal have managed to position Snapdeal as the biggest rival to Flipkart. Meanwhile, Bahl still finds time to send out irreverent tweets, reports **Biswarup Gooptu >> 5**

BAD TIME FOR E-COMM-DEPENDENT LOGISTICS COS >> 6

BJP'S RETAIL RETHINK?

Learn to Take on Global Challenges, Modi Tells Traders

Gives business a reformist message; says govt must form strategies for each state separately



We should not worry about the challenges from global trade

OUR BUREAU

NEW DELHI

Narendra Modi, the BJP's candidate for prime minister, said on Thursday India's traders and grocery store owners must learn to compete with large modern stores and online retailers, comments that could signal a change in a key economic principle of the party.

The BJP had opposed the government's decision in late 2012 to allow foreign supermarkets to open in India due to the threat it says the move poses to millions of kirana store owners and small traders who form the crux of the party's support.

In a separate speech, Modi laid out a reformist agenda and promised policy implementation to an audience comprising investors, businessmen and economists. But Modi stopped short of commenting on whether he supports or opposes foreign investment in retail. "We should not worry about the challenges from global trade," he told a gathering of the Confederation of All India Traders. Rather, he said, small traders should emphasise on quality of their products to compete better and could enter into contracts with big online retailers to create "virtual malls in small shops".

Earlier this month, the newly-elected BJP government of Rajasthan rolled back the decision to allow foreign investment in retail. More than half of the 28 state governments are against the policy.

Modi, the chief minister of Gujarat, said he also favoured introducing a nationwide goods and services tax (GST), a long-pending reform expected to bring a uniform market, reduce costs of businesses and increase government revenue.

Many states, including BJP-ruled ones, have resisted GST as

NARENDRA MODI

they fear loss of revenues if the existing levies were replaced.

With the general elections fast approaching, Modi also laid out his economic views separately at a conference on the Indian economy later in the day.

"Speedy, yet sustainable, economic growth that is inclusive of all is the need of the hour," he told a crowd of businessmen, bankers, economists and diplomats.

As India is vast, he said there are no tailor-made solutions for the problems of the entire country. "The government must identify the strengths of each state and devise strategies accordingly," he said in an hour-long speech. But for that the prime minister and chief ministers must act as a team. "This is not rocket science. The harmony is missing in decisions."

Modi also revealed his plans to accommodate women in boosting growth. "Women form 50% of the population, but they assume that they have no role in contributing to GDP growth." The truth is they play a huge role, be it in animal husbandry, healthcare or handicrafts.

Modi spoke in Hindi, which disappointed at least a few foreign nationals—people from 25 countries attended the meeting, according to organisers of the event—in the audience.

Inside story

Rahul Plans Padayatra

Congress V-P Rahul Gandhi is likely to carry out 'padayatra' in select parts of the country, highlighting the theme—"economic progress with social harmony"—in the run-up to the Lok Sabha polls, reports **Our Political Bureau >> 3**

ET@Ground Zero

Sharp political reportage from election hotspots around India. A continuing series, today's focus is on IT capital Bangalore's constituencies. Is Nilekani a game changer? >> 4

Subrata Roy Missing from Mother's Bedside When Police Called on Him

Sahara India chief Subrata Roy, who claimed exemption from appearing before SC to attend to his mother, was missing from her bedside when the police came knocking on Thursday.

Companies >> 7

IT Firms Seek Design School Talent for New Verticals Like Cloud

IT firms are making a beeline to design schools as the focus verticals such as product design and emerging technologies like mobile and cloud gather traction in India.

Career & Business Life >> 10

BPCL Raises 175 Million Swiss Francs Via Offshore Bonds

BPCL has raised around 175 million Swiss francs by selling offshore bonds bearing a coupon rate of 2.988% and maturing in December 2019.

Markets + Finance >> 11

On Edit Page

Low Growth in FY15

A patchwork of pushy policies can take economic growth only as far as 5.5% in the next financial year, says **Bibek Debroy**.

ET INSTA POLL

Do pre-elections opinion polls sway voters?

18% YES, 76% NO, 6% CAN'T SAY

TODAY'S QUESTION: Will recent developments hurt private investment in oil & gas? www.economictimes.com

Today's edition carries CORPORATE DOSSIER (metro only)

WAR OF WORDS RIL issues strong denial as AAP claims UPA turned blind eye to report from Indian diplomats about non-descript Singapore firm transferring cash to Ambani cos

Now, AAP Accuses RIL of Money Laundering

OUR BUREAU

NEW DELHI

Arvind Kejriwal's Aam Aadmi Party intensified its attack on Mukesh Ambani, accusing him of being involved in a Rs 6,530-crore money-laundering operation that deserved investigation and arrest of India's richest man, provoking a fierce denial from Reliance Industries, the first time it has reacted so strongly to the barrage of allegations levelled against the company and its chairman.

Aam Aadmi Party leader Prashant Bhusan issued a statement saying the United Progressive Alliance government had turned a blind eye to commercial intelligence from Indian diplomats in Singapore seeking the investigation of a company with practically no income transferring large sums of money to firms such as Reliance Gas Transportation Infrastructure Ltd (RGTIL) controlled by the Ambani family.

Reliance said in an emailed statement it was the victim of an "orchestrated, politically motivated campaign".

AAP, during its 49-day Delhi state government term, had ordered the filing of a corruption

Fresh Attack on Reliance

Why Indian High Commission in Singapore wanted the Centre to probe money transferred to RIL:

THE EQUITY of both investing companies from Singapore is very small compared with the amount invested

BOTH INVESTING companies have claimed exemption from filing annual accounts to the Singapore regulator on grounds of small income



THE BUSINESS premises of one of the companies in question comprises just one room

THE ULTIMATE owner of both the Singapore companies is based in Mumbai

THE COMPANY is alleged to have invested ₹6,530 crore in India

Reliance Hits Back at AAP's Charges

The allegations are highly defamatory, false, irresponsible and devoid of any merit or substance whatsoever. These false allegations... (are part of)... an orchestrated, politically-motivated campaign against us.



case earlier this month alleging that gas prices are being raised because of crony capitalism involving Ambani, oil minister Veerappa Moily and other politicians. AAP kept up its attack on

Reliance with a statement that said: "UPA showers benefits to Reliance; one after the other."

Bhusan distributed copies of a note from the Indian High Commission in August 2011 to the gov-

ernment saying that Biometric Marketing, which operates from just one room that is mostly closed, had invested Rs 6,530 crore in India. Nearly half the amount went to RGTIL, about Rs 1,850 crore to Reliance Ports and the remaining Rs 200 crore to Reliance Utilities Ltd, according to the copy of the diplomatic correspondence distributed by AAP.

"Thus it is absolutely clear that Reliance is laundering its ill-gotten profits in India through Singapore (particularly from KG basin gas) and depositing the same into accounts of Mr Mukesh Ambani. Yet this UPA government has not even bothered to investigate this and arrest Mr Ambani, and has instead showered him with one benefit after another," AAP said.

Reliance vehemently denied this.

"The allegations that ill-gotten laundered money or profits have either been made or that these have been deposited in the accounts of Mr Mukesh Ambani through Singapore or otherwise are false and are treated by us with the contempt that they deserve," the company said.

RELATED REPORTS >> 8

Ramky Infra Looks to Sell Three Road Assets

CR SUKUMAR & SABARINATH M

HYDERABAD | MUMBAI

Hyderabad-based infrastructure company Ramky Infrastructure is in negotiations with private equity fund Morgan Stanley Infrastructure Partners and the structured investment group of the Ajay Piramal group to sell three of its road assets to raise funds and cut debts. The company plans to raise ₹900 crore from the sale of assets. These assets include Ramky Elsamex, Sehere Kosmi Tollways and NAM Expressway.

The infrastructure company has appointed ICICI Securities as the investment banker for the transaction. "Ramky Infrastructure is at an advanced stage of discussions with the investors for selling three road assets. The due diligence process has already started and the company expects to conclude the deal with the investors over the next couple of months. IL&FS has agreed to sell its 50% stake in NAM Expressway," said a person with direct knowledge of the deal.

Other infrastructure sector investors such as IDFC Alternatives have also been approached. Potential investors have recently undertaken due diligence

One For The Road

- Assets up for sale are Ramky Elsamex, Sehere Kosmi Tollways and NAM Expressway
- These assets have already started generating revenues
- Investments in road projects happening in anticipation of good times

₹2,100 cr Consolidated debt which Ramky Infra plans to retire

₹500 cr Ajay Piramal group's investment in Navayuga Road Projects

of the NAM Expressway project in Hyderabad. While Ramky Infra and Ajay Piramal group declined to comment, ICICI Securities and Morgan Stanley were unavailable for comments.

Some Investors Upbeat on Road Assets >> 8

Manipal to Buy Two Hospitals

Manipal Health is close to buying a hospital each in Mumbai and Delhi as part of its expansion plan in the coming six months. The deals will be finalised before May, reports **Varun Sood** from Bangalore. Manipal Health has drawn an outlay of ₹1,200 crore as it closes on its buyout of an existing 250-300 bed hospital each in Mumbai and Delhi, and build four new hospitals, starting August. Two 300-bed hospitals will be set up in Whitefield, Bangalore, while the group will make one new hospital in Delhi and Mumbai. >> 6

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All are Welcome at IIM-A Naming Ceremony

Following global cues, premier business school offers building naming rights in order to drum up funds

What's in a Name

The Proposal CORPORATES OR individual donors may be allowed to acquire 'naming rights' for various infrastructure at IIM-A campus

The Infrastructure RIGHTS MAY be allowed for dorms, classrooms, seminar rooms, faculty room, cricket ground

VISHAL DUTTA

AHMEDABAD

For any pedigree company or individual donors looking to get their names on a building at the Indian Institute of Management in Ahmedabad (IIM-A), the country's top-ranked business school, now's the time to do so. Naming rights for various buildings on the campus are on offer, as the institute tries to emulate a fund-raising method that's well established overseas.

Back home, the Indian Institutes of Technology and the Indian School of Business are among educational es-

tablishments that use this method to drum up contributions.

"Yes, we are in the process of implementing infrastructure naming rights," said IIM-A director Ashish Nanda, a Harvard Law School professor who was appointed last year after a global hunt that took nearly 10 months.

He said that Arvind Sahay, a professor at the school, was heading the project.

Big education institutions such as Harvard Business School receive a substantial portion of their revenue from naming rights.

"If we can have a large corpus, then

this may also result in the decrease of student fees," said an official associated with the plan. IIM-A rights will be awarded for a fixed tenure and the terms will vary.

Amongst IIMs, the Ahmedabad school will be the first to give out naming rights in an organised format, said the person.

Harvard Business School's 2013 annual report showed revenue of \$587 million, of which 31% came from publishing, 25% from executive education tuition, 18% from MBA tuition and fees, 2% from housing, rents and others and 24% from endowment distribution and gifts.