

# Jabong's makeover adds to its M&A appeal

The fashion portal could become the M&A high point of 2016 as it switches focus to profit in the midst of changes and uncertainties for the industry

NIVEDITA MOOKERJI  
New Delhi, 11 July

Consolidation was projected to be the highlight for the Indian e-commerce industry in 2016, and the first big one is being scripted as the year crosses the mid-mark. Four-year-old Gurgaon-based fashion and lifestyle portal Jabong may be acquired in a deal valued at around \$250 million, estimates suggest.

If the deal takes off, it will inevitably be compared to the other major acquisition in the fashion universe — Sachin Bansal and Binny Bansal-led Flipkart's buyout of Mukesh Bansal's Myntra for \$300 million in May 2014. (None of the Bansals are related to each other.)

While Mukesh Bansal left the organisation earlier this year to start out on his own yet again, the Myntra effect has been positive on Flipkart as fashion is a fast growing online category with margins in the segment much higher than most other items, point out experts.

Also, Myntra's buyout by Flipkart prompted others to shop for fashion as well. Kunal Bahl-led Snapdeal acquired Exclusively.in, a high-end luxury fashion portal, last year for an undisclosed value. That wasn't enough. The talk now is that Snapdeal wants to buy Jabong, the real challenger to Myntra, to grow its fashion business. Even Vijay Shekhar Sharma-promoted Paytm's marketplace business is focused on the fashion category, and so is Shopclues.

The possible Jabong M&A deal is making news when investors have almost closed their purse-strings and fund-raising by e-commerce players is a rarity unlike a year ago. Not surprisingly then, buyouts have been subdued in an industry that's pegged to grow to \$100 billion by 2020.

Although Jabong has dismissed the news as speculation, the e-commerce world is abuzz that the German incubator Rocket Internet-backed fashion portal has a long list of suitors—Snapdeal, Myntra, Aditya Birla group's Abof, Future and Alibaba. It is learnt that both Rocket Internet and Swedish investment firm AB Kinnevik, which have a consid-



## WHY JABONG IS A POTENTIAL TARGET

- Profit margin in fashion is 10-15 per cent against 2-3 per cent in electronics
- Jabong's losses were down to ₹46.7 crore in 2015 from ₹159 crore in 2014
- All major e-tailers want to be strong players in fashion to turn profits quickly
- Indian e-retail could grow to \$100 billion (₹6.7 lakh crore) by 2020, with fashion playing a strong role



**"Who knows what could happen in five or 10 years? India has the potential to be a long-term destination for Jabong's parent company, Global Fashion Group."**

NILS CHRESTIN  
CEO, Global Fashion Group

erable holding in Jabong's parent, Global Fashion Group, want to sell their stake.

### On the block on and off

That said, this is not the first time Jabong has been on the block. Last September, there was similar talk of a buyout. While Snapdeal seems to be the frontrunner now, its name had emerged as one of the hopefuls last year as well. Kunal Bahl, co-founder and CEO of Snapdeal, had then said, "Anytime anyone wants to look at raising money in this market or think about getting a strategic partner on board, they come and talk to us." This time around, reports have indicated that term sheets have been ready for a deal between Snapdeal and Jabong.

But as is the case for all deals, it is not done till it is announced. Soon after the buzz on Jabong being on the block last year, the management held back to back

interviews at a central Delhi hotel to "give out the correct perspective".

In one such interview with *Business Standard* in October, Nils Chrestin, then acting CEO of Jabong, said the company was getting ready for a makeover and that a new leadership team would be in place in the next two-three weeks. Jabong seemed in a hurry for the makeover because by the same evening, it had announced appointments of a new chief marketing officer, chief product officer and chief technology officer.

Chrestin, who's also the chief financial officer at London-based Global Fashion Group, which runs Jabong, said that by 2020, fashion would constitute 40 per cent of the estimated \$100 billion e-commerce market in India and Jabong would be at the forefront in the segment. Would that mean Jabong would still be a part of GFG, which operates in 28 geog-

raphies around the world, in 2020? Chrestin had replied, "Who knows what could happen in five or 10 years?" But he had added India has the potential to be a long-term destination for Jabong's parent company, GFG.

While reports had said that Jabong could not be sold last year because of valuation mismatch (asking price was \$500 million and there weren't any takers at that value), Chrestin's reply had kept things open-ended.

Meanwhile, things have been in a flux. Last year, Jabong was brought under the GFG fold, along with other fashion e-tailers from Latin America, Russia, Australia, West Asia and others. Subsequently, several co-founders, including Praveen Sinha and Arun Chandra Mohan, left the company. Reports suggest that the current CEO Sanjeev Mohanty, who was appointed last year, is on his way out too. He is

likely to join Levi's as India head.

### A growth story

In the midst of all the changes and uncertainties, what is making Jabong a potential candidate for acquisition is its financial turnaround. Jabong's Ebitda (Earnings before income, taxation, depreciation and amortisation) losses, for the first six months of 2015, had grown 46 per cent to ₹227.4 crore compared to ₹55 crore a year ago, Chrestin told this newspaper last year. He had added that the focus in the future would be on profitability along with growth. And Jabong has walked the talk.

Jabong achieved breakeven in the last quarter and plans to become profitable by mid-2017. In the first quarter of this year, the company posted ₹244 crore revenue, an increase of 14 per cent from last year. Its gross loss is down to ₹46.7 crore in 2015, from ₹159.5 crore in 2014, as it

reduced discounts on the site.

Jabong is not alone in shifting focus on profits. Myntra is targeting profits next year; others are actively pursuing profitability as well as investors are getting impatient with losses. As Snapdeal's Bahl in a recent interview to another publication put it, "GMV (gross merchandise value) is so 2015 and profits are the way to be."

The shape of the e-commerce market is clearly set for a change. Amazon is pouring whatever it takes to be a winner as it battles it out with Flipkart in India. In addition to its \$2 billion investment in 2014, it recently announced another \$3 billion for India. Meanwhile, Chinese major Alibaba is preparing to enter India for direct play in internet-led commerce. Even Indian business houses, including the Ambanis, Tatas and Birlas, are gearing up for a bigger slice of the online pie, making everyone look closely at their financials.

**FORTIS MALAR HOSPITALS LIMITED**  
Corporate Identity Number: LB5110DL1989PLC276986  
Registered Office: Escorts Heart Institute and Research Centre, Okhla Road, New Delhi - 110 025  
Tel : 011 2682 5000; Fax : 011 4162 8435  
Website: www.fortismalar.com,  
Email: secretarial.malar@malarhospitals.in

**NOTICE**  
Pursuant to Regulation 29 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Notice is hereby given that a meeting of the Board of Directors of the Company will be held on Tuesday, July 19, 2016, to inter alia, consider and approve Un-Financial Results for the Quarter ended on June 30, 2016. The same is also available on the website of the Company- www.fortismalar.com and that of BSE Limited- www.bseindia.com.

For Fortis Malar Hospitals Limited  
Sd/-  
Dated : July 12, 2016 Sumit Goel  
Place : Gurgaon Company Secretary

**PUBLIC NOTICE**  
It is notified for the information that my Original Certificate of main Secondary Examination of Year 2013 and Roll No. 4246552 issued by CBSE has been actually lost.

Name of the Candidate : Tania Farid  
Full Address : 1105, Zinnia Nahar Amrit Shakti, Chandivli, Mumbai 400072  
Mobile No. 9820370462

**BHARAT HEAVY ELECTRICALS LIMITED**  
भारत हेवी इलेक्ट्रिकल्स लिमिटेड (भारत सरकार का उपकरण)  
PPX-EM, HEEP, BHEL, RANIPUR, HARIDWAR-249403  
Ph: 01334-281644, Fax: 01334-226462, E-mail: v. singh@bhelhrw.co.in  
Tender No. - NIT/301/E/E211/2016/1207H/1  
Bids are invited in two parts, for following equipment.

Description of equipment	Qty. (Nos.)	Opening Date
Field Lead Core Bar (Drg. No. 41360301158, Rev: 01)	8	06.08.16

For details & downloading of tender document visit our websites [www.bhel.com](http://www.bhel.com)/[www.bhelhrw.co.in](http://www.bhelhrw.co.in)/[www.tenders.gov.in](http://www.tenders.gov.in)/[www.eprocure.gov.in](http://www.eprocure.gov.in) All corrigenda, addenda, amendments, time extensions, clarifications, etc. will be hosted only on websites.  
Sr. Engineer (PPX-EM)

**TENDER CARE**  
**BPCL signs MOU for 2016 - 17 with MoP&NG**

BPCL signed a Memorandum of Understanding (MoU) with MoP&NG for the financial year 2016-17 at Delhi on 5th July, 2016. The MOU was signed by Shri K.D. Tripathi Secretary, (Petroleum & Natural Gas) and Shri S. Varadarajan C&MD, BPCL in the presence of MoP&NG officials, Smt Urvashi Sadhwani Sr. Economic Advisor, Shri Anant Kumar Singh Addl Secretary and Financial Advisor, Shri Ashutosh Jindal Joint Secretary (Marketing & GP), Shri Sunjay Sudhir Joint Secretary (IC), Shri Amar Nath, Joint Secretary (Exploration), Shri Alok Chandra, Adviser (Finance), Shri Alok Tripathi, Dir(D&MC) along with Shri P Balasubramanian Dir(Finance) BPCL, Shri D Rajkumar MD BPRL, Shri V Anand ED (Planning & Infrastructure) and other BPCL officials.

**Commercial Feature**  
**New India awarded the Best General Insurance Company Award from Fintelekt**

New India awarded the Best General Insurance Company Award, Excellence Award and Non Urban Business Growth Award in Fintelekt India Insurance Awards 2016. Seen in Picture receiving the Best General Insurance Company Award on behalf of New India : Mr. G. Sriniwasan, CMD, Mr. H.G. Rokade, Director & GM and Mrs. S.N. Rajeswari, FA & GM.

**PUBLIC NOTICE**  
Notice is hereby given that my clients 1) MR. RAJESH RATILAL DAGLI & 2) MRS. VEENA RAJESH DAGLI, Owners of the property more particularly described in the Schedule hereunder written purchased from MR. DINESH MUKUNDRAI DAVE under Agreement dated 24th April, 1994 have lost/ misplaced Original Agreement dated 11th December, 1980 made between M/s. K. PATEL & CO. PVT. LTD. and MR. DINESH MUKUNDRAI DAVE in respect of the Scheduled Property.

Any persons having any claim, right, title, interest, benefit, etc. in respect of the above said Original Agreement and/or Scheduled Property or any part thereof as and by way of ownership or mortgage or charge or lien or tenancy or otherwise howsoever in respect of the above are hereby required to give intimation thereof along with documentary evidence in support thereof within 14 (fourteen) days from the date of publication hereof to MR. R. J. CHOTHANI, Advocate, A-104, 1st Floor, Ambica Darshan, C.P. Road, Near Bus Depot, Kandivali (East), Mumbai 400 101.

In default, all such claims shall be deemed to have been waived and my clients will proceed on the basis of the title of the Scheduled Property as marketable and free from all encumbrances.

**SCHEDULE OF THE PROPERTY**  
Flat No. H-401 admeasuring 535 sq. ft. Building up area on 4th Floor in the Building known as Patel Nagar Co-operative Housing Society Ltd. situated at Mahatma Gandhi Cross Road No.4, Kandivali (West), Mumbai 400 067, constructed on all that piece or parcel of land bearing C.T.S. No. 1084 of Village : Kandivali, Taluka : Borivali, M.S.D. District : Mumbai  
Date : 11.07.2016

Sd/-  
(R.J. CHOTHANI)  
Advocate

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CIN : L24220MH1945PLC004598

**NOTICE**  
NOTICE is hereby given that pursuant to Regulation 47 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a meeting of the Board of Directors of the Company will be held on **Wednesday, 27<sup>th</sup> July, 2016**, *inter alia*, to consider and approve the following:

1. Audited standalone financial results of the Company for the quarter ended 30<sup>th</sup> June, 2016; and
2. Unaudited consolidated financial results of the Company for the quarter ended 30<sup>th</sup> June, 2016.

This intimation is also available on the website of the stock exchanges where the Company's shares are listed and on the Company's website [www.asianpaints.com](http://www.asianpaints.com).

For and on behalf of  
**ASIAN PAINTS LIMITED**  
Sd/-  
**JAYESH MERCHANT**  
CFO & COMPANY SECRETARY,  
PRESIDENT- INDUSTRIAL JVs

Place : Mumbai  
Date : 11<sup>th</sup> July, 2016

**Federal Bank introduces Tax return e filing services**  
Federal Bank has come out with a new initiative for its customers to e file their income tax returns easily. For this, the Bank has launched a new portal service (<http://www.federalbank.co.in/clear-tax>). Customers can login to this portal and upload their Form No.16. The portal will capture details from Form No.16 and pre-populate it. Only a few remaining fields are to be filled in by the customer. The portal can also be used by customers who are not having Form No.16. Non Federal Bank customers can also make use of this facility. Announcing this service, Shri Babu K A, Head – Digital Banking said "E filing service is yet another digital offering from Federal Bank that enhances customer convenience. Customers can now easily and confidently file their returns through this simple portal. Customers will find it highly useful as the portal will capture and pre-populate details available in Form No.16, ensuring accuracy and avoiding data entry. We are happy to launch this service this month when most people file their returns".

**BHEL bags PSE Excellence Awards**

Bharat Heavy Electricals Limited (BHEL) has been conferred PSE Excellence Awards 2015 for Human Resource Management Excellence and for R&D, Technology Development & Innovation, in the Maharatna & Navratna CPSEs Category by the Indian Chamber of Commerce (ICC). The awards were received by Mr. D. Bandyopadhyay, Director (HR), BHEL.

**NOTICE-CUM-ADDENDUM**  
**Change in Exit Load Structure of Kotak Flexi Debt Scheme**  
The exit load structure of Kotak Flexi Debt Scheme, an Open Ended Debt Scheme of Kotak Mahindra Mutual Fund will be revised as under with effect from July 13, 2016.

Scheme	Existing Load Structure	Revised Load Structure
Kotak Flexi Debt Scheme	<ul style="list-style-type: none"> <li>• For redemptions / switch outs (including SIP/STP) within 30 days from the date of allotment of units, irrespective of the amount of investment – 1.00%</li> <li>• For redemptions / switch outs (including SIP/STP) after 30 days from the date of allotment of units, irrespective of the amount of investment – NIL</li> </ul> <p>Any exit load charged (net of Service Tax, if any) shall be credited back to the Scheme.</p> <p>Units issued on reinvestment of dividends shall not be subject to entry and exit load.</p>	<ul style="list-style-type: none"> <li>• For redemptions / switch outs (including SIP/STP) within 30 days from the date of allotment of units, irrespective of the amount of investment – 0.25%</li> <li>• For redemptions / switch outs (including SIP/STP) after 30 days from the date of allotment of units, irrespective of the amount of investment – NIL</li> </ul> <p>Any exit load charged (net of Service Tax, if any) shall be credited back to the Scheme.</p> <p>Units issued on reinvestment of dividends shall not be subject to entry and exit load.</p>

The aforesaid revised exit load structure will be applicable only on a prospective basis to Units purchased / SIP/SWP/ STP registered on or after July 13, 2016.

All other terms and conditions as provided in the Scheme Information Document/Key Information Memorandum of the abovementioned schemes remain unchanged.

For Kotak Mahindra Asset Management Company Limited  
Investment Manager - Kotak Mahindra Mutual Fund  
Sd/-  
Nilesh Shah  
Managing Director

Mumbai  
July 11, 2016

Any queries / clarifications in this regard may be addressed to:  
**Kotak Mahindra Asset Management Company Limited**  
CIN: U65991MH1994PLC080009  
(Investment Manager for Kotak Mahindra Mutual Fund)  
6th Floor, Kotak Towers, Building No. 21, Infinity Park, Off. Western Express Highway, Goregaon - Mulund Link Road, Malad (East), Mumbai 400097.  
Phone Number: 66056825 • Email: [mutual@kotak.com](mailto:mutual@kotak.com) • Website: [assetmanagement.kotak.com](http://assetmanagement.kotak.com)

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

**CR Heritage Week Exhibition**  
Shri G.C. Agrawal, General Manager, Central & Western Railway opened an exhibition as a part of CST heritage week celebrations observed from 2.7.2016 to 8.7.2016. The weeklong exhibition contains copy of rare original drawings of CST building by F.W. Stevens, maps of old Mumbai and architectural facets of the building. The exhibition is open between platform no.7&8 at Chhatrapati Shivaji Terminus Mumbai, from 10 am to 6 pm during the heritage week and is free for all.

Shri G.C. Agrawal, General Manager, CR & WR, Shri A.K. Srivastava, Additional General Manager, Shri Amitabh Ojha, Divisional Railway Manager, Shri Vinit Kumar, Secretary to GM, Shri Narendra A Patil, Chief Public Relations Officer, Shri Sunil Udasi, Deputy Chief Personnel Officer (HRD), Shri V. Chandrasekar, PRO and Shri Vikas Dilawari, Conservation Architect at the exhibition.

**Plantation drive at NINL during Vanamahotsava**

Neelchal Ispat Nigam Limited, based at Kalinganagar Industrial Complex in Odisha, observed Vanamahotsava - 2016 from 1st July to 7th July, 2016 by massive plantation drive. Shri G.S. Gill, MD, NINL kick started the programme by planting saplings at the EMC department and Compressor House on 1st July 2016. Shri S. Mohanty, GM (Finance), Shri V.M. Singh, DGM (Environment) were also present on the occasion along with other officials. The Horticulture department organized the celebration of the week-long Vanamahotsava by plantation of 2000 saplings inside the plant with tree species like mango, jack fruit, badam, arjun etc. The company has also planned for plantation of 7000 saplings this financial year.