

10 FRIDAY, NOVEMBER 6, 2015, DELHI

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Corporate News

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NEW HOUSING CEO

We are putting the house back in order: Kothari

By SHRUTIKA VERMA
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NEW DELHI

In an attempt to turn around Housing.com's struggling business, investors at the online real estate website named Jason Kothari as the new chief executive on Thursday.

Kothari, was serving as chief business officer at Housing.com since August, was named CEO after a day-long board meeting at the company's headquarters in Mumbai.

Interim CEO Rishabh Gupta has resigned and will be leaving the company effective immediately, the company confirmed.

According to people familiar with the matter, Gupta was asked to leave by the board of directors. *Mint* could not independently verify this.

After the ouster of co-founder Rahul Yadav, Housing's board has been closely involved in the firm's day-to-day operations and is trying to cut costs, restructure the business and boost revenue. In May, SoftBank's Jonathan Bullock joined the firm's board.

The company is fast building a senior management team and recently hired chief financial officer Mani Rangarajan, general counsel Nandini Mehta and chief marketing officer Nikhil Rungta.

Prior to joining Housing.com, Kothari was the co-founder and CEO of Valiant Entertainment, a US-based firm that publishes comic books. He holds a degree from University of Pennsylvania's Wharton School.

Founded in 2012, Housing currently has 2,500 employees in 50 cities. Run by Locon Solutions Pvt. Ltd, it is backed by Japan's

mint INTERVIEW

SoftBank Corp., Nexus Venture Partners, DST Global Lp, Falcon Edge Capital Lp, Digital Nirvana Fund Co. Ltd, Qualcomm Ventures and Helion Venture Partners. In December 2014, it raised about \$90 million from investors.

Housing.com, which competes with CommonFloor, 99Acres, PropTiger and MagicBricks, has been restructuring its business and has closed down categories such as commercial properties, short stays and land business.

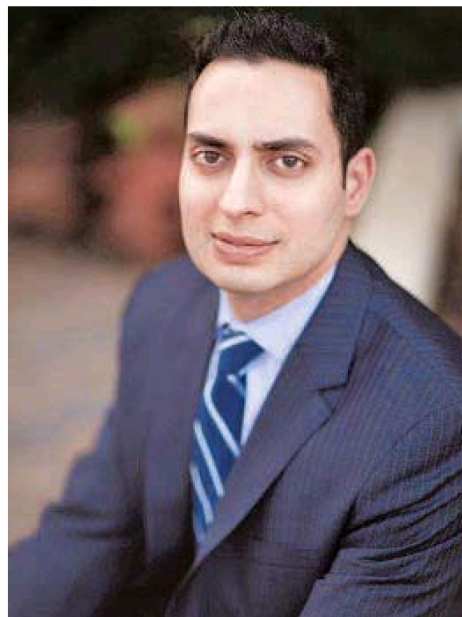
In a phone interview shortly after he took over, Kothari spoke about his plans for the company. Edited excerpts from the interview.

What are your plans for Housing, going forward? What processes are you putting in place?

We are putting the house back in order... There are broadly four steps to start with. One, we will be driving scalable revenues. We already have a world-class product, significant traction, traffic and listings; we just need to fill all this with revenues. Secondly, efficient use of resources. Cost-cutting was a part of this but it is more than that. It is about getting more value for the same amount of resources, which includes money, but also time and effort of the people working at Housing.

Thirdly, building a world-class management team... We started with a young and innovative management team that was suited to the earlier product technology focus of the company's lifecycle.

While we maintain the focus



JASON KOTHARI, 34

Jason Kothari is the co-founder of Valiant Entertainment, a US-based company that produces comic books. He was serving as Housing.com's chief financial officer since August and was named the chief executive, in place of interim CEO Rishabh Gupta, after a day-long meeting of the board on Thursday.

He holds a degree from University of Pennsylvania's Wharton School.

crowded. We need to have a clear differentiation.

Companies in the real estate space are struggling to scale. Do you see an opportunity for a vertical (real estate-focused) company to exist in the long term?

If you look at markets globally, there are only two markets—Dubai and Brazil—where horizontal players have become leaders in the real estate space.

In others, verticals have taken the market leadership position. So, we are very confident about our position as an independent company.

How difficult will it be for you to do an image makeover for Housing after Rahul Yadav's departure?

The goal is to execute and grow the business successfully and the by-product of doing that and communicating that effec-

on technology and product, we are entering a stage where we need to focus on monetization and growth as well.

And we need to have better communication...there is significant growth in the business that people are not even aware of and this should not be the case.

We are going to be more open in our communication and not just internally but externally.

What about focus on profits?

I think, right now, we are

focused on building scalable revenues and capabilities; profitability is a long-term goal.

What are the challenges you face now?

The real estate market in the country is in a downcycle, but the investors and management are focused towards building the company for the long term. We see these as short-term challenges. Also, there are many online real-estate players, and from outside, the market looks

tively will improve and create a very positive image of Housing.

There have been rumours about layoffs and restructuring of the firm. Can we expect more departures?

Actually, no decision has been made on any future restructuring.

What will be the role of existing founders in the company? Do they remain associated with the company?

A number of the co-founders will continue to be involved in the company and they are a valuable part of our team.

What role will the interim CEO, Rishabh Gupta, take on?

He will be leaving the company. We wish him nothing but the best in all his future endeavors.

The company has seen a major dip in valuation in the last six to 10 months. How are investors perceiving it?

There have been rumours about Housing's valuation that are extraordinarily high and extraordinarily low, and neither of those are true.

At the end of the day it is the investors that determine the valuation and it's our job as management to execute the business plan successfully and grow the business. The investors and the market determine the valuation.

Are you looking for fresh funds?

We are not really looking for third-party funding. We have the support of our existing investors and we are excited about what the future holds for the company.

While we've been approached by new third-party investors, we are not actively seeking them out because we don't need to.

SMARTPHONE SHIPMENTS

Xiaomi says India sales growing 45% quarter-on-quarter

By DHANYA ANN THOPPLI
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BENGALURU

Chinese smartphone maker Xiaomi Corp. said its sales in India have been growing at a quarterly average of 45% and disputed data from a research firm pointing to its first decline in phone shipments into the country since debuting in June.

Xiaomi sold 1 million phones in India in the July-September quarter and the strong demand for its Redmi 2 Prime phones—assembled at a plant run by Foxconn in Andhra Pradesh—added to sales, said Xiaomi India head Manu Jain. Jain declined to give details of the number of phones shipped to India last quarter.

Xiaomi's comments come barely two days after India-based research firm Counterpoint Research published a post

Micromax with roughly 18% and Intex with 12%.

Counterpoint said its data is based on surveys of suppliers and sales networks.

Xiaomi brought 600,000 phones into India in the third quarter, while Lenovo and its Motorola Mobility unit together brought in roughly 2 million, said Neil Shah, co-founder and director of Counterpoint. Micromax brought in 800,000 YU phones, said Shah.

According to Shah, Xiaomi does well only when it launches new products. The company hasn't been able to consistently expand its market share in India as in China, where it saw a meteoric rise thanks to a unique business model and sales strategy, he said. "But now there are multiple Android brands competing with similar hardware, similar e-commerce models and even

Cipla Q2 net profit up 44% at ₹431 crore

By REGHU BALAKRISHNAN
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MUMBAI

Cipla Ltd, India's third largest drug maker by sales, on Thursday said net profit in the quarter ended 30 September grew 44% from a year ago on strong sales in international markets.

Net profit during the period rose to ₹431 crore from ₹299 crore in the same quarter last year, the company said on Thursday. Total income rose about 25% to ₹3,452 crore from ₹2,767 crore a year ago.

Exports of formulations grew 51.3% to ₹1,874 crore from ₹1,239 crore a year ago. Exports of active pharmaceutical ingredients (APIs) rose 61% to ₹226 crore from ₹140 crore.

Domestic sales grew 0.9% to ₹1,262 crore during the quarter, up from ₹1,251 crore a year ago, the firm said.

On Thursday, Cipla shares fell 1.85% to ₹658.5 at the close on BSE, while the benchmark

LOGISTICS SECTOR

Capital concerns force Pickingo to shut shop

By SAYAN CHAKRABORTY
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BENGALURU

Hyperlocal logistics service provider Pickingo Logixpress Pvt. Ltd is closing down its operations as it struggles to raise capital, signalling stress in a segment that has seen 20 new start-ups in the past 10 months, said two people aware of the development.

Pickingo, which raised \$1.3 million from Orios Venture Partners and angel investor Zishaan Hayath in August, used to handle hyperlocal delivery for restaurants, groceries and pharmacies as well as reverse logistics (handling of returns) for e-commerce companies.

According to the two people cited above, the Gurgaon-based firm's cross-town rival Shadowfax Technologies Pvt. Ltd is close to taking over the reverse logistics part of the business. Another business-to-business (B2B) delivery start-up Grab (Grab a

by Rahul Gill, Piyush Sharma, Rishav Papneja and Siddharth Maheshwari. According to one of the two people cited above, the co-founders will be absorbed into different ventures promoted by Orios Venture Partners.

To begin with, Rahul Gill will join Ziffi's senior management team, said the person cited above. *Mint* could not ascertain where the other co-founders are headed.

"Shadowfax will keep the reverse logistics piece alive. That is the only part of the business that is profitable," the same person said.

"The formalities will be completed in the next five to six days."

Pickingo had run into trouble after talks over a possible fund raising with SAIF Partners fell through recently. The company was also in talks with restaurant discovery platform Zomato (Zomato Media Pvt. Ltd) to raise \$1 million, but that did not materialise as well.

Jubilant FoodWorks profit falls 17.6%

By SOUNAK MITRA
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NEW DELHI

Jubilant FoodWorks Ltd, which runs Domino's Pizza and Dunkin' Donuts fast food restaurant chains in India, said second quarter profit dropped 17.6% on rising costs.

Net profit fell to ₹23.88 crore in the quarter ended 30 September from ₹29 crore a year ago, the firm said on Thursday.

Income from operations rose 17.2% to ₹587.53 crore in the quarter from ₹501.16 crore a year ago as it opened outlets and increased prices for Domino's Pizza, the firm said in a statement. Costs rose 20% to ₹555 crore from a year ago. Growth in same-store sales, or outlets open for at least one year, rose 3.2%.

In the quarter, the firm added 39 Domino's Pizza and seven Dunkin' Donuts outlets, and entered eight new cities. This fiscal year, it aims to open a total of 150 Domino's Pizza and 30 Dunkin' Donuts outlets across new and existing markets. It currently operates 950 Domino's Pizza and 68 Dunkin' Donuts outlets in 216 cities.