Malls Roast Eateries Over Coals Amid the Hygiene Crackdown

Operators send out fresh alerts to food outlets in a bid to protect malls' image

Ratna Bhushan & Faizan Haider

New Delhi: India's leading malls have upped the scrutiny on restaurants and cafes in their premises, by sending out fresh alerts to their foods & beverage (F&B) tenants on hygiene and food safety protocols amid widening crackdowns by regulators, citing that violations by restaurants impact the entire mall's image. The reinforced guidelines by various malls have been sent over emails to hundreds of restaurants, cafes and bars over the past 10 days, executives said. DLF Malls, Phoenix Group and Prestige are among the mall operators that have escalated hygiene and safety guidelines and sent out fresh alerts to foods & beverage outlets, executives in knowledge of the developments said.

While the crackdowns so far have been led by Maharashtra Food and Drug Administration (FDA) and Karnataka Food Safety and Drug Administration, mall operators across India specially in tier-1 and 2 cities have reiterated hygiene and safety protocols, they added.

Mall operators said while they closely follow crucial protocols such as food hygiene and fire safety as an ongoing process, the recent crackdowns have brought violations and lapses in public domain, directly risking reputations of the malls. One of the emails sent to a prominent QSR chain by a leading mall operator, which ET has reviewed, said: "We are very concerned about recent hygiene and food safety protocols being breached. While checks by mall management are in place, all tenant partners may note that lapses that come to light risk reviewing contract terms and strict penalties as it amounts to reputational damage of mall premises." The mail further noted "zero tolerance" on food safety lapses.

"It's not just about the reputation of the restaurant. The mall's credibility is at stake too. There are times when we had to take a hard call, and we continue to do so," Dalip Sehgal, chief executive at private equity firm Blackstone-backed Nexus Malls, which operates 19 malls across 15 cities, said. "We do routine audits and take them very seriously. Such protocols can't be treated as one-time developments. It's critical that standards are maintained and be part of the DNA of any F&B business," he added.

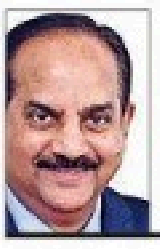
Nexus Select Trust, the entity under which Nexus Malls operate, has a footfall count of 135 million-plus annual visitors, according to its data. "Following safety guidelines is part of agreements we have with food outlets. From time-to-time, we check whether they are following the protocols. Food quality is something we can't check, but we make sure cleanliness is maintained and it is part of our responsibility as well," said Muhammad Ali, chief executive, retail, at Prestige Group, which operates five malls in South India.

Recent days have seen regulators either suspend or seal licenses of KFC's godown in Mangaluru's City Center Mall, and Punjab Grill in Seawood Mall and Domino's in R-City mall in Mumbai. Revenue contribution of F&B at leading malls has surged anywhere between 30-40% over the past year, compared to retail sales contributed by fashion and entertainment, with restaurants and cafes becoming anchor tenants in various top-tier malls.

BETTING ON STRUCTURED APPROACH

Blue Dart Sets Sights on a Larger Slice of Ecomm Market with Int'l Service

Forum Gandhi



REGIMENTED FLOW

Current industry is not only fragmented, it has no shape at all. So we will have a regimented flow

BALFOUR MANUEL, MD, Blue Dart

Mumbai: Blue Dart Express plans to launch a dedicated international cross-border ecommerce delivery product as early as next month, seeking to capture a larger share of India's fast-growing but fragmented global ecommerce trade, managing director Balfour Manuel said. The company sees potential in major ecommerce corridors including the US, Europe and the UK, though Manuel did not specify the countries it will initially serve.

Blue Dart plans to focus first on markets with strong existing trade flows rather than spread its network too thin. "We will go slow, but sure. We want to be the most reliable player in this space," Manuel said. The company is targeting lanes where demand is already high and expects to expand its reach over time.

Blue Dart could leverage parent DHL's global last-mile delivery network, commercial airlines and its own ground and air infrastructure to connect Indian sellers with overseas customers. Manuel said the company's network can provide transit times from locations across India, while the new product would be able to plug into both air and ground services depending on customer requirements.

The company is also betting on a more structured approach to a market Manuel described as highly fragmented. "Current industry is very, not only fragmented, it has no shape at all. So we will have a regimented flow," he said.

Ecommerce is Blue Dart's fastest-growing segment, with Manuel also pointing to strong growth across B2C, direct B2B, MSMEs, manufacturing, healthcare, electronics and automotive. Blue Dart's business is now roughly evenly split between air and ground, with ground growing faster, Manuel said.

The company is currently the third-largest player in the ground segment and wants to move into the No. 1 or No. 2 position in the express ground segment it operates in.

The opportunity is being supported by regulatory changes. The government removed the ₹10 lakh per-consignment value cap on commercial exports through the courier mode from April 1, following an announcement in the 2026-27 Budget. The move was aimed at making courier exports more viable for ecommerce exporters, particularly smaller businesses.

Manuel said the removal of the cap could facilitate more trade and ecommerce. "The ₹10 lakh limit that has been removed through Express... is a big number for small customers," he said.

The government has also recently eased foreign-investment rules, allowing inventory-based ecommerce models backed by foreign investment exclusively to export goods manufactured or produced in India.

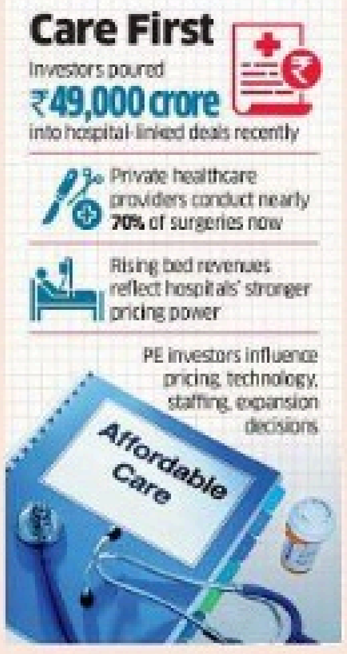
The change is intended to help Indian sellers access global markets, while restrictions on domestic inventory-based ecommerce remain in place.

PANEL REPORT HIGHLIGHTS CRITICAL ISSUES

In Private Healthcare's Rise, Price Points Are a Big Pain

Better public infra, specialists needed to improve state facilities as pvt hospitals are unaffordable

Alenjith K Johny & Vikas Dandekar



Bengaluru | Mumbai: Fixed hospital room charges at the average tariffs of three-star hotels in metro cities, a parliamentary committee on health and family welfare recently highlighted as part of its 361-page report on the affordability and accessibility of healthcare in India. The panel, while acknowledging the wide variation in hospital charges across the country, stressed the need for better public health infrastructure, capping fees, and strengthening the cadre of medical specialists.

The report, in short, captures the mood of millions of Indians who often face financial distress for treatment at quality private healthcare, which has emerged as a crucial industry over the decades as the state-aided facilities remained relative stragglers or inaccessible. Top private-sector hospital chains such as Apollo and Max Healthcare have, however, argued that blanket price caps on beds may stifle growth and investments.

The reasons for those views are not hard to find. In about three years, nearly 60 hospital-linked private equity deals have been signed for eye-popping values of ₹49,000 crore. Back in 1983, that would have been unthinkable. That year, Prathap Reddy, founder of Apollo Hospitals chain, came back to India from the US and set up first corporate hospital in Chennai 1983.

THE PIONEER

Reddy broke much more than new ground. Doctors practiced mostly through small clinics or as clusters of specialists. Privately-run hospitals were unknown as hospitals were not classified as an industry. For Dr Reddy, it was a battle to change the legislation.

His objective was clear – widen access and affordability of quality healthcare. The young cardiologist pushed hard for a multispecialty hospital - all under one roof - to cater to the mounting demand. Apollo's scale-up success saw an avalanche of doctor-led hospitals across large cities and towns. According to latest National Sample Survey data private hospitals account for nearly 58% of hospitalisations in rural India and 64.6% in urban centres.

"Most healthcare providers have become national providers. Demand-supply gap right from the time that Apollo became a corporate hospital chain, and many others came in, was built around the fact that India's public healthcare can only grow at a certain pace," says Vishal Bali, executive chairman of healthcare platform Asia Healthcare Holding (AHH).

For dozens of marquee global investors like AHH, India has turned into an irresistible hunting ground for healthcare enterprises. To name a few, Blackstone, KKR, Carlyle and TPG, have struck deals at valuations to salivate for.

Bhanu Prakash Kalmath SJ, healthcare partner at Grant Thornton says post-Covid, patients are prioritising quality of care and health outcomes. "Private healthcare accounts for nearly 70% of surgeries in the country, while public healthcare has not been able to keep pace with the requirements of the larger population," he adds.

PE POWER PLAY

PE investors or global investment companies hold majority ownerships in top-tier hospital groups like Manipal Health, Sahyadri Hospital (via the deal with Manipal), Healthcare Global (HCG), Baby Memorial Hospital (BMH), and Star Hospitals, via private equity funds such as Temasek and KKR. The race for quicker and better returns has, however, made healthcare unaffordable to most of the population, aggravated by lack of insurance coverage, as highlighted by the parliamentary committee report.

This trend coincided with a steady rise in average revenue per bed (ARPOB) for hospitals, a key metric that reflects strong growth of hospitals. According to Grant Thornton data, the industry average ARPOB of six major hospitals, including Max and Apollo, rose 11% to 56,520 in FY25 from ₹50,821 in FY23.

For higher RoIs, health experts say PE investors are unsparing, and influence decisions in key management operations: how much to pay doctors, what technology should be deployed, what rates to be charged to patients, and where to invest for future expansions. As financial investors, the plans revolve around achieving a certain multiple and pass on the ownership to the next strategic or financial investor or seek a full or partial exit via a public listing.

Amid the churn, Temasek-controlled Manipal Hospitals stands as an example of that phenomena. It was recently listed but over the years, Manipal had changed multiple hands. It was first targeted by TPG in 2015, followed by the National Investment and Infrastructure Fund (NIIF). Temasek then bought out NIIF and part of TPG's stake in 2023 for full control.

PUBLIC LISTINGS

There are similar examples. Max Healthcare listed in 2020 following a corporate restructuring, with KKR holding nearly 52% stake. Fortis's ownership contest played out after its original listing, culminating in IHH Healthcare's 2018 acquisition. Narayana Hrudayalaya's pre-IPO PE investors held a minority stake and partially exited at its 2015-16 listing. From six until 2010, India currently has 16-17 listed hospitals or healthcare companies. Data shows there is more room to grow.

Fuzzy Copyright Law Puts Owners of B&W Films in a Fix

Rajesh N Naidu

Mumbai: Companies, institutions and individuals owning intellectual property (IP) of black-and-white films whose copyright has expired or is about to expire are facing a dead-end situation, amid a lack of clarity in the law over ownership of their colourised versions.

Increasingly, this has become a pressing issue for companies that own film IP, preserve and restore them, as it limits their monetisation opportunities, said legal firms, film IP owners and film processing and colouring labs in conversations with ET.

In a year, the copyright of 50-100 black-and-white films expires in India, said these companies.

According to the Indian Copyright Act, 1957, the copyright of a film expires 60 years after its release. After the copyright expires, an IP owner loses exclusive rights to the film, which then enters the public domain.

This makes the film's IP vulnerable, as anyone can colourise the film.

"Once the copyright term of a film ends, the original owner loses any exclusive claim to the film. A third party is free to colourise or remaster the film. What remains legally unsettled, though, is whether colourisation creates a new, independent copyright, and whether moral rights can still be invoked once the underlying copyright has expired," said Priyanka Sinha, co-founder of law firm A&P Partners. India's Copyright Act says that a derivative work of an original film can have copyright protection, provided there is some originality in it. But the Act does not clearly state whether improving the visual and aural experience of a black-and-white film through colourisation can make the derivative work copyrightable.

GST Cut Keeps Carmakers Steady Amid Rising Costs

Shally Seth Mohile

Mumbai: India's move to cut goods and services tax (GST) is emerging as a crucial buffer for carmakers as they counter the impact on margins from sharply higher commodity prices. Unlike previously, companies such as Mahindra & Mahindra, Tata Motors, and Hyundai Motor India are deploying various strategies to minimise product price increases and sustain the current demand momentum.

Rajesh Jejurikar, executive director and CEO, auto and farm sectors at Mahindra, said the GST cuts created headroom for the company to endure volatile commodity prices without resorting to steep price increases.

"If we are still at prices which are lower than the GST price of September, in a way, there is a headroom which is helping us tide over the commodity cycle," Jejurikar told ET. He said Mahindra didn't want to continue raising prices simply because demand is strong.

Mahindra raised prices by an average 5.2% in the June quarter across its petrol, diesel, and electric SUV range. The company is also working to further reduce production costs to lessen the impact of price increases in the future.

Under GST 2.0, the Centre cut tax rates on small cars and SUVs measuring less than four metres to 18% from 28% plus cess, while reducing it for large SUVs and luxury vehicles to about 40% from the peak 50% levy.

Factory dispatches of passenger vehicles in the country breached the 400,000-unit mark in six out of eight months since the GST cut, rebounding from weak sales in the months prior. The top four carmakers have guided for more than 10% increase in FY27 sales, despite a high base kicking in from next month.

While the cut has provided cushion, cos rely on internal cost reductions, selective price increases

While the GST cut has provided some cushion, automakers are continuing to rely on internal cost reductions and selective price increases to absorb the commodity shock emanating from the disruptions caused by the Iran war.

At Tata Motors Passenger Vehicles, commodity pressure is more acute. Commodity costs dented profitability at its India business by 4.5% of revenue in the June quarter. Shailesh Chandra, MD and CEO, expects another about 3% increase in commodity costs in the September quarter.

"Commodity pressure again in Q2 is going to hit us badly," Chandra said on a post-earnings media call last week. He expects the fiscal first half to be particularly difficult in terms of commodity prices.

Jejurikar highlighted a divergent approach for Mahindra compared to the previous commodity spike. In 2022-23, the automaker had to take price increases of 17-18% as input costs surged, he said. This time, however, it has undertaken several cost reduction measures before correcting prices.

Hyundai Motor India is taking a broader cost optimisation approach. Commodity costs hurt its margins by about 1 percentage point sequentially in the June quarter, mainly due to higher precious metals and copper prices. The company offset part of the impact through calibrated pricing and cost reduction.

Hyundai carried out three price increases totalling around 1 percentage point this calendar year, while pushing localisation and value engineering. Its localisation level has risen to 83% from 77-78% a few years ago, with a target of 90% by 2030.

"We are expecting that from October, industry growth will mute," said Tarun Garg, MD & CEO, Hyundai Motor India on a post-earnings call. "We'll have a calibrated approach and do what is best in terms of volume and profit put together."

Market leader Maruti Suzuki is relying more on calibrated pricing. Commodity costs adversely affected its operating margin by around 3 percentage points in the June quarter. The company took two calibrated price increases, with most of the benefit expected to flow through in Q2.

Amber to Start Mfg Chinese Phones from March 2027

New Delhi: Electronics manufacturing services firm Amber Enterprises India expects to start manufacturing Chinese smartphones under Oppo, OnePlus and Realme brands from the March 2027 quarter and double output in the second year, a top official said. Amber Enterprises India executive chairman and CEO and whole-time director Jasbir Singh, said that the firm expects to start with production of 8 million units of Oppo group smartphone brands and scale it twofold to around 16 million units in the second year of operations. "Our group is set to foray into mobile phones through a manufacturing collaboration agreement with Oppo Mobiles India. The scope covers three brands, Oppo, OnePlus and Realme. We are on course to commence trial production by quarter 4 of FY27 and commercial production to begin quarter 1 of FY28," he said. —PTI

As Opel turns to Chinese Partners, its Hometown Frets about Future

As Germany's Opel slashes its engineering ranks and partners with China's Leapmotor, anxiety is running high in Ruesselsheim, the city it has long dominated.

Struggling like many other European automakers, Opel is expanding its partnership with Leapmotor to build a new SUV, tapping the Hangzhou-based company's expertise on electric vehicles and low-cost production – while leaving Opel's local engineers to perform more old-fashioned vehicle design work. Stellantis, Opel's multinational parent company, said in April that it would cut 650 engineering jobs —from a total workforce of 1,650 —at its Ruesselsheim development centre, amid a wave of job cuts across the German auto industry.

Those developments have unleashed concerns in this Rhine River city, where Opel was once the mighty engine of prosperity. For their part, the mass-market carmaker's executives say they are trying to adapt to "reality" of stiff global competition.

A NEW REALITY

For Daniel Bremm, a local representative of the IG Metall union, the main risk is technological downgrading, the possibility that the engineering centre would be reduced to a mere "adaptation hub" for vehicles designed elsewhere within the Stellantis group or in China. —AFP