

# RattanIndia in makeover mode

Rajiv Rattan is putting his past behind and venturing into newer businesses such as retail, drones and electric vehicle manufacturing

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In the high-decibel year of 2022 — so noisy that it saw considerable chatter about the so-called quiet quitting — a significant change went largely unnoticed.

Amazon India finally decided to jettison Appario Retail, one of the largest sellers on its online marketplace, and a product of its joint venture with Patni Group. That followed the severing of ties with Clouttail, another large seller on Amazon.in and a child of Amazon's partnership with N R Narayana Murthy's Catamaran Advisors.

But that is not the "significant change" we are talking about. The fate of Clouttail and Appario could be foretold in the wake of the government's tightening of foreign investment rules in retail and allegations that Amazon was favouring the two on its platform — an accusation Amazon has denied.

The change in focus here is that a lot of the selling on Amazon.in is now being done by Cocoblu, owned by RattanIndia Enterprises Ltd, majority owned and controlled by Rajiv Rattan. That is not all, RattanIndia is now into drone manufacturing and services, fintech, and, sometime this month, is expected to be in full control of Revolt Intellicorp, a maker of electric motorcycles. That is as far as it can get from Rattan's antecedents, which lie in infrastructure and coal-fired power.

**Leveraging the lockdown:** As 2019 segued into 2020, Rattan and wife Anjali went into introspection mode, which intensified as the Covid-induced lockdown descended on the country. There was much to chew over.

It was nearly six years since Rajiv Rattan had separated from Indiabulls, a group known for real estate, housing finance, and consumer finance. The settlement gave him the power and infrastructure businesses, including two coal-based plants of 1,350 Mw each in Maharashtra's Nashik and Amravati. Over the next five years, Rattan infused additional equity and ensured the completion and commissioning of the plants.

In December 2019, the Amravati project went through a debt resolution process under the Reserve Bank of India's guidelines — one of the biggest in the country outside the National Company Law Tribunal's framework without a change of promoters.

The group now has Sinnar Thermal Power in Nashik with a significant debt burden. RattanIndia is working with lenders and the government to put it to use for producing power at the earliest.

"In spite of the stress in the power sector, we had full faith in the fundamentals of the business. Over the last eight years, we were focused on execution and patiently worked to solve the issues," Rattan told *Business Standard*.

**A ray of solar sunshine:** Around



the time of Rajiv Rattan's separation from Indiabulls, his wife Anjali ventured into solar power. The company, RattanIndia Solar, privately held, grew to have 315 Mw of capacity with solar parks across Maharashtra, Karnataka, Rajasthan, and Uttar Pradesh, and solar rooftop projects spread across 10 cities. It had large land parcels — about 1,126 acres — and power-purchase agreements of 25 years, mostly with companies owned by the Union government, such as NTPC and Solar Energy Corporation of India. GE Energy Financial Services

Infrastructure Ltd as RattanIndia Enterprises Ltd (REL) and set off on the path of execution.

**Taking flight with tailwinds:** In April 2021, REL acquired 33.33 per cent stake in Revolt. August 2021 saw it make a strategic investment in Matternet, a US-based urban drone logistics platform, with commercial flights in operation to transfer medical samples. REL later bought 60 per cent equity in Throttle Aerospace Systems, which is into enterprise and defence applications that qualified under the drone production-linked incentives (PLI) scheme. Another company in the stable, NeoSky, plans to manufacture consumer micro drones.

REL appears to be enjoying policy tailwinds. A month after it invested in Revolt, the government increased the subsidy under the FAME scheme, which stands for Faster Adoption and Manufacturing of Electric Vehicles, and came out with a PLI scheme for e-bikes. Around the time of the Matternet investment, the government simplified the rules for businesses built around drone operations.

But the biggest breakthrough so far came in February 2022, when Cocoblu started as a seller on Amazon India in some of its largest-selling categories.

"Cocoblu is already profitable. We are now taking the next step and looking to get into private labels in apparel, and also start exporting to the Amazon platform worldwide," said Rattan. They recast RattanIndia

Digital co-branding, in-licensing of foreign brands, and private labelling are on the cards.

Cocoblu is bolstered by BankSe, the group's financial services arm, which has tied up with banks and NBFCs to provide real-time digital loans, including to Cocoblu's vendors, which number about 550.

A person familiar with Cocoblu's joining the Amazon platform said: "People like Rajiv Rattan, who have the right network and get approvals fast, are obvious picks for an organisation managing a crucial transition." Amazon would have wanted to make sure its customers did not get affected with the change of sellers.

As new beginnings go, there is still considerable distance for Rajiv

**To scale up the plethora of new businesses, Rattan will need to raise significant capital, where he may have to explain away his background in infrastructure, real estate, and thermal power**

Rattan to traverse. The e-bike space is now dominated by scooters; motorcycles are only beginning to find their bearings. Drones are becoming a commodity business, with the only distinction being whether they are made in India or are imported. To

scale up the plethora of new businesses, Rattan will need to raise significant capital, where he may have to explain away his background in infrastructure, real estate, and thermal power — areas that will not find resonance with investors in e-bikes or drones.

In Rattan's favour, he is seen as someone who puts his skin in the game. "He (Rajiv Rattan) is not your typical financial investor. He partners with founders and attracts the right talent and stakeholders. He has the ability to take an early-stage idea to a massive scale," said Rishi Sahai, managing director at Cogence Advisors, a boutique investment bank, who has known Rattan for years.