

Murugappa group to enter truck hailing business, invest in startups

After Cabs, It's Time For An App-Based Logistics Business

Rajesh.c@timesgroup.com

Chennai: The ₹27,000 crore Murugappa group is getting into truck hailing business for logistics, in line with what Uber and Ola do for passenger movement.

With cab aggregators transforming the urban commute commanding sky high valuations, several traditional companies are also forced to look into this space.

For instance, India's largest ride-hailing app, Ola, which raised \$226 million last month is valued at \$5 billion. Uber is valued more

than \$50 billion.

"We have started developing an app-based logistics business, primarily for trucking. It is still in stealth mode. We have not gone out with the name. The news is we have started it and we are on ground for the past six months. We have started running loads," said Vellayan Subbiah, MD of Cholamandalam Investment and Finance Company.

"The initial response is huge. This business is going to scale like crazy and the potential for it is immense. But it is not a simple business to

develop," he said.

Cholamandalam, he said was working on four major projects, almost all in the fintech space. RBI license to

Despite positive response, a huge potential and scalability, it is not a simple business to develop

Cholamandalam to set up a payments bank is one.

"We believe that these four things can be real game changers for us. Payments bank is going to be very dis-

ruptive in nature. The finance company is also looking to invest in a couple of startups. We are close to investing in two of them," he said.

Cholamandalam has been granted the license to set up and operate a payments bank by the Reserve Bank of India.

Payments banks differ from conventional banks as they are not allowed to lend or issue credit cards.

These banks can, accept deposits of up to ₹1 lakh and can offer current and savings account deposits.