

## CORPORATE SNAPSHOT-NATIONAL

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### SBI launches digital branch: sbiINTOUCH

India's largest bank State Bank of India has launched six digital branches to offer next generation banking solutions to the mobile and internet-savvy customer base in India. These branches are located in Delhi, Mumbai, Bangalore, Chennai and Ahmedabad. Named as sbiINTOUCH, these branches will have digital banking capabilities, which include instant account opening with personalized debit cards, instant loan approvals for education, car and home and remote expert advisors available via video links.

### SEBI bans Satyam founder from the market

Capital markets regulator SEBI, taking a tough stance, has barred Satyam Computer's founder B Ramalinga Raju and four others from the markets for 14 years and asked them to return Rs 1,849 crore worth of unlawful gains with interest of 12% per annum. The total amount will be charged from 7th January, 2009 when the scam came into light. SEBI asked them to deposit the money within 45 days. On 7th January 2009, B Ramalinga Raju, chairman of Satyam Computer had sent an email to SEBI admitting all the scams to inflate cash and bank balances of the company.

The others facing the prohibitory orders include Raju's brother B Rama Raju (then Managing Director of Satyam), Vadlamani Srinivas (ex-CFO), G Ramakrishna (ex-vice president) and VS Prabhakara Gupta (Ex-Head of Internal Audit).

### Eight Indian companies in Forbes 500 list

Eight Indian companies, led by IOC,

a state run oil marketing company, have made it to the latest Fortune Global 500 list of world's biggest companies. Indian Oil Corporation is the top ranked Indian company with annual revenue of USD 81.32 billion in 2013.

There are five state-run and three private sector companies in the list including two from the Tata group (Tata Motors and Tata Steel). Reliance Industries is placed at 114th position, followed by Bharat Petroleum (242nd), Hindustan Petroleum (284th), Tata Motors (287th), State Bank of India (303rd), ONGC (424th) and Tata Steel (486th).

### Sun Pharmaceutical acquires Pharmeducence

Indian pharma major Sun Pharmaceutical Industries going further has acquired US-based Pharmeducence Inc for an undisclosed amount. This is its second acquisition in FY 2014. Pharmeducence, which has a sterile injectable capacity in the US, has been acquired by one of the subsidiaries of Sun Pharma. This is Sun Pharma's important acquisition after it had acquired India's pharma major Ranbaxy Laboratories for nearly USD 3.2 billion earlier this year.

### TCS market cap records Rs. 5 lakh crore

India's largest IT services company Tata Consultancy Services has become the first Indian company to touch record market capitalisation of Rs. 5 lakh crores. Shares of TCS jumped by 2.21% to close at its 52-week high value of Rs.2,586.9 on 23 July, 2014. At the closing price, TCS' market capitalization stood at Rs. 5,06,703 crores. TCS is followed by ONGC (Rs 3.5 lakh crore) and

Reliance Industries (Rs 3.3 lakh crore).

Among IT companies, TCS's market cap is more than the combined market cap of the next four largest Indian companies — Infosys (Rs 1.90 lakh crore), Wipro (Rs 1.39 lakh crore), HCL Tech (Rs 1.07 lakh crore) and Tech Mahindra (Rs 45,000 crore).

#### **Central government penalizes RIL**

The central government has charged a penalty of USD 579 million on Reliance Industries for producing less than targeted natural gas from its KG-D6 block. The total penalty on RIL for missing the target in four fiscal years beginning 1st April 2010 now stands at a cumulative USD 2.376 billion.

The penalty is in the form of disallowing costs incurred. The Production Sharing Contract (PSC) allows RIL and its partners BP Plc and Niko Resources to deduct all capital and operating expenses from the sale proceeds of gas before sharing profit with the government.

#### **Wipro acquires Atco I-Tek**

India's IT services company Wipro has acquired Atco I-Tek, the IT services arm of Canadian logistics and utilities provider Atco, for USD 195 million which is Wipro's second biggest acquisition ever till date. Atco I-Tek has large operations in Western Canada and it offers end-to-end IT Services in the infrastructure space. This deal will add value to the company.

The acquisition also comes with a 10-year, USD 1.12 billion IT outsourcing deal from the Canadian company, the largest contract in Wipro's history. As a part of the deal,

Wipro will also take over 500 employees in Canada and 50 employees in Australia.

#### **RIL posts USD 1 billion quarterly profit**

India's largest private company, Reliance Industries Limited has become the first private company to post USD 1 billion quarterly profit in its first quarter results. The company's profit jumped to USD 1 billion due to higher refining margins, better petrochem earnings and a surge in its US shale gas business.

#### **Inox Leisure acquires Satyam Cineplexes Ltd**

Indian Multiplex company Inox Leisure has acquired New Delhi based Satyam Cineplexes Ltd (Satyam) by buying 100% stake of Satyam's equity share capital from its shareholders for Rs 182 crore. The deal will enable Inox to increase its footprint across North India. Post the deal, Inox will have total 91 multiplexes and 358 screens in 50 cities.

#### **R Power acquires Jaiprakash Power**

Anil Ambani group firm Reliance Power bought the entire hydro power portfolio of Jaiprakash Power for an estimated Rs 12,000 crores after Abu Dhabi National Energy Company (Taqa) pulled out from the company. Reliance Power pipped Adani Power's Rs 11,700 crore offer to complete the purchase. Jaiprakash Power Ventures' hydroelectric power portfolio contains two plants at Kinnaur, Himachal Pradesh, and a third Vishnu-one in Uttarakhand. These three plants have an aggregate capacity of around 1,800 megawatt with a valuable asset life of 50 years. With this, Reliance Power's total

capacity will be 5000 MW and this makes the deal as the most immensely valued.

#### **Bharti Airtel crosses 300-million subscriber mark**

Bharti Airtel has crossed the 300-million subscribers mark which includes mobile, fixed line, DSL and DTH services which is a new and important milestone for the largest telecom company in India. The Company, which started operations in 1995, had crossed the first 100 million mark in 2009 and 200 million in 2012. Bharti Airtel has offices in 20 countries across Asia and Africa.

#### **APSEZ gets environmental clearance for its SEZ in Mundra**

Adani Ports and Special Economic Zone (APSEZ), has received the environment and coastal regulation zone clearance from the Union Ministry for Environment and Forests, for its 8,481 hectares special economic zone (SEZ) in Mundra.

The clearance will now allow APSEZ, which operates India's only port-predicated SEZ, to establish a mega desalination plant, an effluents treatment plant and intake of sea water, all of which constitute primary infrastructure to be provided for companies establishing business units in the special economic zone.

#### **APSEZ signs agreement with France's CMA CGM Group**

Adani Ports and Special Economic Zone has signed an agreement with France's CMA CGM Group to develop a new common user container terminal at Mundra Port. This will be the 4th container terminal at Mundra and will be a 650 meters terminal along with 27 hectares of back area, capable of handling 1.3 million TEUs every

year. Following this announcement, the construction phase will be commenced immediately and completion will be in a record 24 months. The incipient terminal will be set up as an equal group effort between APSEZ and CMA CGM Group.

#### **RIL acquires Network 18 Media and Investments**

Reliance Industries Limited (RIL) has declared that Independent Media Trust (IMT) of which RIL is the sole beneficiary, has consummated the acquisition and control of Network 18 Media and Investments (NW18) including its subsidiary TV18 Broadcast (TV18).

Apart from nominees of IMT, Deepak S Parekh and Adil Zainulbhai have been inducted as Independent Directors on the board of NW18. Raghav Bahl will continue to be on the Board of NW18 as a Non-executive Director. With the completion of this transaction, IMT and RIL have become promoters of NW18 and TV18.

#### **Sesa Sterlite to resume production in Goa**

Sesa Sterlite expects to resume production in Goa in September after a gap of two years, following a court order allowing mining of iron ore. Sesa Sterlite expects its total iron ore output from India, where it operates in Goa and neighbouring Karnataka, jumping to 9.29 million tonnes in the current financial year ending 31 March 2015 from about 1.5 million in FY 2014. The Supreme Court in April lifted the ban on iron ore mining in Goa, which was aimed at controlling illegal mining, but strictly ordered the firms to get statutory permissions and valid mining leases and

environmental clearances before restarting work. The court additionally capped Goa's total once-a-year output at 20 million tonnes.

#### **Mahindra Holidays & Resorts acquires 18.8% of Holiday Club Resorts**

Mahindra Holidays & Resorts India signed a definitive agreement with the shareholders of Holiday Club Resorts Oy, Finland to initially acquire 18.8% of its shares with a right to increment its ownership over a period of two years. This initial acquisition will be consummated in a month's time subject to required regulatory approvals.

Holiday Club Resorts Oy (Holiday Club) is a leading vacation ownership company in Europe with thirty two resorts, twenty four of which are located in Finland, two in Sweden and six in Spain (1 in Costa del Sol and 5 in Gran Canaria). Seven of these resorts have spa hotels with indoor dihydrogen monoxide parks, three have golf courses and there are five indoor theme parks for children called 'Angry Birds Activity Parks'.

#### **Cairn India's profit falls due to change in depreciation method**

The steep fall in Cairn India's bottom line was due to an exceptional depreciation charge of Rs 1627.39 crore with retrospective effect in Q1 June 2014 due to a change in the method of calculating depreciation from the Straight Line method (SLM) to the Unit of Production (UOP) method.

Mr. Sudhir Mathur, Interim CEO, Cairn India said that, 'In line with our vision to contribute to the nation's energy security, we are confident of not only achieving the verbalized exploration target of 3bn barrels of

hydrocarbons in-place, ahead of schedule, but additionally of integrating another 3 bn barrels to our un-imperilled prospect inventory. With multi-Tcf potential, we expect gas to be a paramount contributor in our product mix. Before the end of financial year 2015, we expect doubling of gas engenderment from Rajasthan. Our two main projects of improved oil recovery and debottlenecking of Mangala Processing Terminal are as per schedule.

#### **Container Corporation of India gets Navratna status**

The Department of Public Enterprises, Govt. of India granted the much coveted Navratna status to Container Corporation of India Limited (CONCOR) with effect from July 23, 2014. CONCOR, the market leader in the logistics segment in India, thus adds another feather to its cap, already adorned by several awards by reputed agencies for its performance both in its operations and in the stock market. CONCOR manages the largest network of Dry Ports in the country and has introduced and promotes the concept of multimodalism in transport of goods both in the International and Domestic segments. The company has constantly strived to facilitate faster and more efficient movement of goods by expanding and upscaling its infrastructure. Currently, CONCOR is fast progressing towards its goal to create a logistics infrastructure that would enable customers to access a single window for all their logistical requirements like multi-modal transport, state of art specialized storage, packaging etc at large facilities called "Logistics Parks".



### **TRAI recommends sharing of spectrum**

Telecom regulator TRAI has recommended allowing sharing of all categories of spectrum. The move is liable to benefit major operators such as Bharti Airtel, Vodafone, Idea, Reliance Communications and Tata Teleservices, enabling them to reduce costs and at the same time enhance service quality.

At present, telecom operators are only allowed to apportion passive infrastructure such as mobile towers and have been demanding allowing of spectrum sharing for a long time.

### **Idea adds 3.2 million new subscribers**

Idea perpetuated its subscriber growth momentum with 3.2 million net new customer integrations, now servicing a 139 million quality base as 'Average Revenue Per User' (ARPU) increased to Rs 181 in Q1 June 2014 from Rs 173 in Q4 March FY14 and MoU/Subscriber incremented to 401 minute in Q1 June 2014 from 397 minute in Q4 March 2014.

Average Realisation per MB (ARMB) data rate also increased by 1 paisa to 26.3p in Q1 June 2014 from 25.3p in Q4 March 2014.

### **Hero MotoCorp to have manufacturing plant in Latin America**

Hero MotoCorp (HMCL) announced the formation of a wholly-owned subsidiary in Colombia and the commencement of a state-of-the-art manufacturing plant in the country.

With a project cost of \$70 million, HMCL will invest \$38 million in capital expenditure, with the rest being utilised as working capital over the next three-year period. The equity

investment will be made through HMCL's wholly-owned subsidiary in the Netherlands that is HMCL BV. The state-of-the-art manufacturing plant is expected to go on stream by the middle of the calendar year 2015 with an initial installed capacity of 78,000 units. This will go up to around 150,000 units in the second phase. With this, Hero MotoCorp will be the first Indian two-wheeler company to have a manufacturing plant in Latin America.

The company's decision to commence an incipient plant in Colombia is in line with the company's vision of expanding its global footprint to as many as 50 countries by 2020. By the year 2020, the company aims to cross 100 million units in cumulative engenderment, and annual bike and scooter sales of 12 million units. It plans to have more than 20 manufacturing and assembly plants across the globe with sales in more than 50 countries by that year.

### **Air India joins Star Alliance**

India's state run airlines Air India, formally joined the Star Alliance in its strategic move to expand its market. Star alliance is a club of 27 airlines. The Alliance operates over 18,500 flights a day in 192 countries. With this, Air India has become the only Indian airline to be a member of a global alliance. Air India which has been suffering from heavy losses will get some support after this move.

To mark Air India's induction into the Star Alliance, the A320, in the livery of Star Alliance, was unveiled at the Delhi Airport. The unveiling of the aircraft was attended by the CEOs of Turkish Airlines, Egypt Air, Singapore Airlines and Austrian airlines apart from the Chairman of

Air India.

### **Domestic passenger car sales increase**

Domestic passenger car sales increased by 14.76% to 1.6 lakh units in June 2014 over June 2013. Motorcycle sales climbed 9.63% to 8.76 lakh units in June 2014 over June 2013, according to data released by the Society of Indian Automobile Manufacturers (SIAM). The total two-wheeler sales rose 12.99% to 12.61 lakh units in June 2014 over June 2013. Sales of commercial vehicles were down 9.03% to 51,119 units in June 2014 over June 2013. Vehicles sales across categories registered an increase of 12.15% to 15.78 lakh units in June 2014 over June 2013.

### **RBI allows Kotak Mahindra Bank to raise foreign investment limit**

The Reserve Bank has allowed Kotak Mahindra Bank to raise foreign investment limit under portfolio investment to 40%. The Reserve Bank of India's (RBI) approval is on the condition that aggregate foreign investment will not exceed composite sectoral cap of 74%. Kotak Mahindra Bank has passed a resolution in its board meeting and AGM for purchase of its equity shares by FIIs/FPIs/QFIs up to 40% of their paid-up capital. Equity shares of the bank are now available and can be purchased through the primary market and stock exchanges provided purchase by a single FII or Sebi approved sub-account does not exceed 10% of the paid-up equity capital of the bank.

### **Bank of Maharashtra gets BFSI Award-2014**

Bank of Maharashtra was awarded with the "Best Bank – Public Sector"



award in the BFSI Awards-2014 by World HRD Congress in recognition of its performance in the Banking sector category. The award focuses on the best practices of the BFSI Industry based on Strategy, Security, Customer Service and Future Technology Challenges and Innovations.

Apart from the Best Bank-Public Sector Award, the bank has also won 4 other awards in various other categories — Bank with Most Admired Services; Bank with Best Customer Orientation; Bank with Best Technology Orientation; and Corporate Communication Award.

#### **IOC names Sinha new chairman**

Indian Oil Corporation has given A M K Sinha, the company's Director for planning and business development, additional charge of the post of Chairman of the company. Sinha will also continue to discharge his functions as Director, planning and business development, even after he took additional charge as chairman from 2nd July.

He has worked with IOC for 37 years and during his tenure he succeeded in establishing IOC as a petrochemical major with sales touching two million tonnes per annum.

#### **Upendra Kamath takes charge as MD and CEO of Tamilnad Mercantile Bank**

The former Chairman and Managing Director of Vijaya Bank, H S Upendra Kamath, has taken over as the Managing Director and Chief Executive of Tamilnad Mercantile Bank Ltd (TMB). He succeeds K B Nagendra Murthy, who retired from service on July 2.

#### **Sriram and Kannan join SBI as Managing Directors**

The Central Government has

selected B Sriram and V G Kannan as Managing Directors of the State Bank of India, India's largest bank. Sriram, who earlier was associated with the State Bank of Bikaner & Jaipur as Managing Director, will head International Banking. Kannan, who was earlier the Managing Director & Chief Executive Officer of SBI Capital Markets Ltd, will now head Associates & Subsidiaries. SBI now has four MDs after these appointments.

#### **RBI to categorize large banks under D-SIBs**

The Reserve Bank of India has outlined a framework for identifying and dealing with large banks, termed "Domestic Systemically Important Banks" or D-SIBs. The new definition defines that a size beyond 2% of the GDP will be the criteria for identifying a bank as a D-SIB and it will be subject to higher capital requirements, as per the Reserve Bank of India. However, there are other criteria which say designating a bank as a D-SIB are interconnectedness; lack of readily available substitutes or financial institution infrastructure; and complexity.

D-SIBs are considered as banks that are 'Too Big To Fail'. There is a constant fear that a bank might fail. This perception creates an expectation of government support for these banks at the time of distress or if any major crisis happens. The RBI wants to impose additional policy measures or support for these SIBs to deal and address the systemic risks and avert any possible crisis that may arise.

Taking this into consideration these banks will be categorized and classified into five buckets based on

their systemic importance scores and additional policy measures. These additional policy measures will be applicable from 1st April 2016 in a phased manner and will be fully effective from 1st April 2019.

#### **Consumer confidence level rises**

Consumer confidence level, one of the leading business indicators, jumped by seven points to 128 in the second quarter of the current year compared to 121 in the previous quarter, according to a study by Nielsen. India is now ranked as the most optimistic country followed by Indonesia and the Philippines which was at better than second rank position in the previous quarter. A newly elected central government with absolute majority is the main factor for this improvement in sentiment.

#### **Arijit Basu, joins SBI Life Insurance**

Arijit Basu, the Deputy Managing Director of State Bank of India, took over as the Managing Director and Chief Executive Officer of SBI Life Insurance. He succeeds Atanu Sen who retired on 31st July.

#### **State Bank of Hyderabad (SBH) appoints new MD**

Santanu Mukherjee has been selected as the Managing Director of State Bank of Hyderabad (SBH). He previously worked with the bank as a Probationary Officer and served the Bank in various capacities and also held diverse important assignments (domestic as well as foreign) in the SBI group.

#### **CBDT gets new Chairman**

Senior IRS officer K.V. Chowdary took over as the new Chairman of the Central Board of Direct Taxes (CBDT), the apex body of the

Income Tax department. He was working as the Member (Investigations) in the CBDT earlier. He took charge after the retirement of R.K. Tewari on 31st July.

The CBDT has six members apart from the Chairman and is the apex body for framing policy and administrative issues related to direct taxes and the Income Tax department.

#### **S S Mundra becomes 4th Dy. governor of the RBI**

Erstwhile Bank of Baroda CMD S S Mundra took charge as the fourth deputy governor of the Reserve bank of India. Mundra was the junior most among the nine candidates interviewed for the job several months ago but his appointment was delayed due to the change in central government.

At present, RBI has three deputy governors; H R Khan, Urijit Patel and R Gandhi. While Khan and Gandhi are career regulators, Patel is an economist.

#### **RBI cancels licenses of six NBFCs**

The Reserve Bank has cancelled the licenses of six Delhi-predicated non-banking financial companies after which they will not be able to conduct business. These NBFCs are GE Strategic Investments India, Profound Exports, Two Brothers Holding, Swank Services Private Ltd, Praxis Consulting and Information Services and Credible Microfinance Ltd.

The licenses of these companies were cancelled on sundry dates in April, May and June 2014. Post license abrogation, these companies will not be able to transact any business as a NBFC.

#### **Hexaware Technologies appoints R Srikrishna as Chief Executive officer**

India's mid-tier IT services Company Hexaware Technologies has selected R Srikrishna as Chief Executive officer. Before joining Hexaware, Srikrishna was President of Infrastructure Life Sciences Businesses at HCL Technologies, India's fourth largest IT services company.

#### **Tech Mahindra signs MoU with Wichita State University**

Tech Mahindra has signed a written "memorandum of understanding" (MoU) with Wichita State University (WSU), a state teaching institution of Kansas in the areas of aerospace engineering, certification, information technology and automotive testing.

Tech Mahindra will collaborate with WSU and its National Institute for Aviation Research (NIAR), the most sizably voluminous academic aviation R&D institution in the United States, on multiple areas of engineering including composites, advanced materials and structural testing.

#### **Xiaomi's Mi3 sold out in 5 seconds**

Chinese handset maker Xiaomi sold out all Mi 3 devices in its online sale in five seconds, and a large number of customers were left disappointed because of the limited stocks offered. About 100,000 customers had registered to buy the Mi 3 smartphone, priced at Rs 13,999, on online retailer Flipkart's website. Xiaomi and Flipkart said in a statement that till date 20,000 devices have been sold through the online retailer. Commenting on the

sales, Xiaomi Global Vice President Hugo Barra said: "We are completely overwhelmed and excited by the demand for Mi 3 by our fans here in India.

Known as the 'Apple' of China, Xiaomi plans to bring in more devices like Redmi 1S and Redmi Note, priced at Rs Rs 6,999 and Rs 9,999, respectively, in the coming days.

#### **Flipkart raises \$1 billion**

India's most successful online retailer Flipkart has raised \$1 billion in fresh capital from initial as well as existing investors with a goal to become the "mobile e-commerce company of the future."

The valuation of the company is a matter of much notional theorization and has been put at \$5 billion, but other reports say it could be as high as \$7 billion.

Co-founders Sachin Bansal and Binny Bansal said the money would be used for long-term strategic investments in India, especially in mobile technology. India currently has 243 million internet users but the utilizer base is galloping as users with astute phones capable of accessing the cyber world multiply rapidly. Flipcart estimates that India will have over half-a-billion mobile internet users by 2020.

#### **Government to sell 5% stake in SAIL**

The government could sell a 5% stake in the state-run steel manufacturer SAIL, in the last week of this month in its effort to speed up divestments to help (or increase) income generation at a time of weak economic growth. 5% stake sale in SAIL will bolster revenue generation. The stake sale is valued at

about \$340 million. The divestment proceeds will help the new government to finance a potential increase in the budget deficit.

The market regulator SEBI, last month proposed that the state should dilute its stake in listed public-sector companies over the next three years and limit it at 75 per cent.

The government owns stakes of as much as 90 per cent in some listed public-sector companies like Coal India and SAIL. After selling a 5 per cent stake in SAIL, the government's holding will come down to 75 per cent as per the new norms of SEBI.

#### Concerns over Libya ease

Concerns about India's macroeconomic situation have eased as raw crude prices have come off a 9-month high which it hit last month. Brent crude oil futures for August distribution were down 49 cents at \$110.75 a barrel. Brent raw fell \$1.05 a barrel, or 0.9%, to settle at \$111.24 a barrel on the London-based ICE Futures, the lowest settlement price since 11 June 2014. The latest decline in raw oil prices came following reports that the Libyan government has reached an agreement with fighters to reopen two oil ports in the country, which could enable higher raw exports from Libya.

#### RBI Guidelines for "Licensing of Payments Banks and small Banks"

The Reserve Bank of India (RBI) has proposed a minimum paid up capital requisite of both Payments Banks and Small Banks at Rs. 100 crore. It said that the promoters' initial minimum contribution will be at least 40 per cent, to be locked in for a period of five years. Shareholding of the promoters should be brought down to 40 per cent within three

years, to 30 per cent within a period of 10 years, and to 26 per cent within 12 years from the date of beginning of business of the bank.

Both, Payments banks and Minute banks are "niche" or "differentiated" banks; with the specific objective of furthering financial inclusion. While small banks will provide a whole suite of basic banking products, such as, deposits and payments, although in a limited area of operation, Payments Banks will provide a circumscribed range of products, such as, acceptance of authoritative ordinance deposits and remittances of money, but will have a widespread network of access points particularly in remote areas, either through their own branch network or through Business Correspondents (BCs) or through networks provided by others. They will integrate value by using technological solutions to lower costs.

#### SEBI announces changes in DIS Issuance and Processing

In order to safeguard the interests of the investors, SEBI has put in place a new framework to strengthen the supervisory and monitoring role of depositories and their participants for issuance and processing of Delivery Instruction Slips.

A Delivery Instruction Slip (DIS) is used by sellers of securities to instruct their depository participant to debit their demat account.

The market regulator said that depositories need to ensure that the DIS is standardised across all depository participants in terms of serial number and layout and size of DIS to facilitate scanning and easy retrievability of records.

However, in light of the difficulties expressed by the depositories and the

depository participants (DPs) and considering their request, it has been decided to make the circular effective from October 01, 2014.

DPs shall not accept old DIS for execution from a Beneficial Owner (BO) who has been issued new DIS. It is clarified that a period of one month may be given for receipt of DIS by the BOs. The DPs may accept old DIS during this transit period. Further, while issuing new DIS the DPs shall intimate the BO that old DIS cannot be used after the new DIS is received.

SEBI advised the Depositories to:-

- a) Bring the provisions of this circular to the notice of their DPs and also to disseminate the same on their website; and
- b) Make amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision as may be applicable/necessary;
- c) Communicate to SEBI, the status of implementation of the provisions of this circular in the Monthly Development Report.

#### Intellectual property offices to be strengthened

The Cabinet Committee on Economic Affairs has approved the continuation of the Plan scheme to modernise and strengthen Intellectual Property (IP) offices during the 12th Plan period. The overall project cost would be Rs.309.6 crores, of which Rs.258 crores will be spent during the 12th Plan and Rs.51.6 crores in the 13th Plan.

The implementation of the scheme will strengthen the Office of the Controller General of Patents, Designs and Trademarks



(CGPDTM) and address the increase in the number of filings of IP applications. It will also address the growing international commitments due to the operationalisation of the Madrid Protocol and status of International Search Authority (ISA) / International Preliminary Examining Authority (IPEA).

#### **Wal-Mart invests \$102.9 mn in Indian wholesale business**

Wal-Mart Stores Inc has invested fresh money worth Rs 6.2 billion (\$102.9 million) into its Indian wholesale business in June, according to a filing made by its Indian unit to the Registrar of Companies. The money was allotted as share application money, the filing showed.

Wal-Mart runs 20 wholesale stores in the country and plans to roll out 50 more over four to five years. The store has already launched its e-commerce operations, to sell to small businesses, in the cities of Lucknow and Hyderabad earlier this month.

#### **Carrefour plans to Exit Indian market**

Carrefour, a Paris based store, says it would exit the Indian market as the group has decided to focus intensely on key strategic markets. Carrefour, the world's No. 2 store by sales, said it would close the five shops it operates in the country by the end of September 2014.

The store has operated five cash and carry shops--stores that target professional customers--after having entered the market in 2010. The company, under its Chief Executive Georges Plassat, has been shutting down operations recently in markets such as Greece and Colombia as it is looking to refocus its business.

#### **Amul sponsors Indian Contingent to CWG**

India's huge food products marketing organization, Amul announced its money-based support to the Indian Contingents to the Glasgow 2014 Commonwealth Games and the Asian Games to be held at Incheon, South Korea by signing a MoU with the Indian Olympic Association (IOA). The 'Taste of India' brand had earlier sponsored the Netherlands cricket team in the ICC Cricket World Cup in 2011, the Switzerland-headquartered Sauber F1 team at the first Indian Grand Prix, as well as the Indian contingent at the London 2012 Olympic Games.

#### **Central Govt. plans to sell 10% stake in Coal India**

The Indian Government is looking to a possible selloff in Coal India. The Finance Ministry is orchestrating to sell a 10 percent stake of Coal India Ltd. in a public offering this year.

Constant power shortages perpetuate to interfere with India's predicated economic growth plan and development. Coal generated energy is the most frugal form of energy available in India and engenders more than half of the country's total supply of power. However, despite controlling the world's fifth-most sizably voluminous coal reserves, India now ranks as the third most sizably big importer of coal.

#### **8.4 crore Indians use Facebook on mobile**

Facebook's Chief Operating Officer Sheryl Sandberg said 84,000,000 is the number of Indian users who access Facebook on mobile phones. Sandberg stated that India, with a total of 100 million users, is

Facebook's second-most astronomically immense market after the US and "of critical importance" as the social networking giant "banks on a growing mobile utilizer base". Aiming to reduce data charges for these users, Facebook is testing a feature in India that lets a mobile phone user click a button to call a brand advertiser and immediately disconnect the call. The user then receives a return call from the advertiser, which distributes recorded messages with sponsored information about everything from cricket scores to shopping discounts.

#### **Samsung launches brand new 'Tab S'**

Korean electronics giant Samsung launched its incipient tablet 'Tab S' for Rs 37,800 onwards, to further reinforce its position in the Indian market. The product will be available in two screen sizes - 8.4 inch and 10.5 inch - priced at Rs 37,800 and Rs 44,800. "Reports suggest that about 290 million tablets will be sold this year around the world. Syndicated reports show that in India additionally, the market is expected to grow over 20 per cent year-on-year and we are confident of topping that magnification," Samsung India VP Mobile and IT Asim Warsi said in a statement. According to IDC, Samsung is the second player in the worldwide tablets market with 22.3 per cent share in Q1 2014 compared to Apple's 32.5 per cent share in the same period.

#### **Wal-Mart starts virtual wholesale stores**

Wal-Mart India launched its online wholesale platform in the country, offering the service in Hyderabad and Lucknow. The e-commerce platform will provide the same range

of products as its wholesale stores, as well as special items for members. "This effort is aimed at improving our members' shopping experience by combining (with other things) physical and digital store presence," Wal-Mart India President and Chief Executive Officer Krish Iyer said. Before the launch, Wal-Mart India organised workshops with members in the two cities to create a more common understanding about website navigation, benefits and registration process.

#### **NABARD gets 200 crores to set up Mega Food Parks**

The Union Finance Minister, Arun Jaitley announced to provide a sum of Rs 200 crores to NABARD for setting up of mega food parks. This will help promote the food processing industry in the country.

Among the total food produced in

India, only 2 percent is processed. Food processing leads to development of a country and Mega Food Park is a scheme which can create synergy between Agriculture and Industry- two most important pillars of the economy.

#### **The Mega Food Park Scheme:**

The Mega Food Park Scheme is primarily a flagship program initiated by the Union Ministry of Food Processing Industries.

The main objective of the scheme is to establish an integrated value chain by keeping processing at the focal point. The aim of the scheme is to receive support by forward as well as backward linkage. The scheme aims at creation of infrastructure for the primary processing centers as well as the cold chains at farm level in certain identified regions. The Mega Food Parks are aimed at providing care for

the processing activities, requiring latest technology as well as offering basic infrastructure like power, water supply and environment protection.

It is envisioned that the scheme requires only one-time capital grant of 50 percent of the overall project cost of 50 crore rupees in the general areas and 75 percent of the total cost in hilly and difficult areas of Uttarakhand, North Eastern regions and J&K.

A Mega Food Park can be utilized for meeting the export of foods and vegetables to European and West Asian countries. The Mega Food Park scheme opens investment opportunities also. Apart from the cultivation of foods, the Food Processing Units in the Mega Food Park are also used for processing of fruits and vegetables, pulp, puree and concentrate preparation as well as candies processing. ♦

**Interesting fact : In 1917 - One Indian Rupee = 13 Dollars where as in 2014 - 1 Dollar = 62 Indian Rupees**



source: [www.cutorcopy.com](http://www.cutorcopy.com)

**1st Print of One Indian Rupee printed in 1917**

## CORPORATE SNAPSHOT-INTERNATIONAL

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### Google closes Orkut

Global tech giant Google has announced that it will shut down its first social networking site, Orkut, on 30th September this year. Google launched Orkut 10 years ago.

Orkut, once very popular with its scaps and posts functionality, lost its user base to Facebook over the last couple of years. Currently it has maximum users in India and Brazil only and it had failed to grow in other countries, especially in the USA.

### Twitter acquires TapCommerce

Microblogging site Twitter acquired TapCommerce, a start-up specializing in advertising on smartphone apps and targeting consumers who have downloaded an app and trying to entice them to come back to it. Currently it is present on 50,000 apps. Twitter paid around USD 100 million for the mobile advertising start-up company based out of New York.

Twitter has recently acquired a series of companies specializing in social media ads, apps and media which includes SnappyTV in the US, Mesagraph of France and SecondSync in Britain. These acquisitions have been done to boost its presence in the Apps market and compete with other major players including Google and Apple.

### Facebook acquires LiveRail

Social networking giant Facebook acquired LiveRail, an advertising technology company that helps its client companies to serve better ads in the videos that appear on their websites and apps.

LiveRail, founded in 2007, offers a comprehensive platform for online video publishers. It helps them find

and serve the best ads possible. LiveRail is the leading platform for video with over 7 billion impressions delivered via the platform every month.

### Facebook COO meets PM Modi

Facebook COO Sheryl Sandberg met Indian Prime Minister Narendra Modi while on an official visit to India. They discussed ways in which the social networking platform can be used for e-Governance work and to connect the Government with the people.

After the meeting Modi said, "Being an avid user of social media myself, I talked about ways through which a platform such as Facebook can be used for governance and better interaction between the people and government. I also talked about how Facebook can be used to bring more tourists to India." He also wanted to know whether Facebook can assist India in remembering Mahatma Gandhi's 150th birth anniversary with a special focus on cleanliness.

### Wal-Mart tops the Fortune Global 500 list

US retail giant Wal-Mart topped the Fortune Global 500 list of the world's biggest companies based on total revenue. Wal-Mart Stores reported USD 476.3 billion in revenue for 2013 and it is followed by Royal Dutch Shell with total revenue of USD 459.6 billion.

Two Chinese energy companies Sinopec Group and China National Petroleum held the third and fourth spots, ahead of US oil and gas giant ExxonMobil at fifth position. 128 US companies, 95 Chinese companies and 150 European Companies are featured in the Fortune 500 list.



### **Citigroup to pay USD 7 billion penalty**

Global banking giant Citigroup has announced that it will pay USD 7 billion to settle an investigation into its sale of residential mortgage-backed securities prior to the financial crisis and global recession that started in 2008.

The settlement includes a USD 4-billion civil penalty, which the US Department of Justice said was the largest to date under a reform of the banking sector that followed the crisis. Citigroup will also pay USD 500 million to the federal government. The remaining USD 2.5 billion will be paid in various forms of consumer relief and will be distributed by the end of 2018.

### **Polaris wins the 'Best Implementation of Green IT Award'**

Financial technology company Polaris won the 'Best Implementation of Green IT Award' at the National IT Leadership and Excellence award ceremony held at Mumbai. Polaris has received the award recently for its consistent efforts on direct power reduction and for reducing carbon emission amounting to over 3,517 tonnes, which equates to the effort of planting 17,585 trees per annum.

### **Apple and IBM announce business partnership**

Tech majors Apple and IBM have announced a business partnership which will help them to co-develop business-centric apps for iPhones and iPads.

Post this deal, IBM will also be able to sell iPhones and iPads directly to business clients with pre-installed apps developed by IBM.

### **Dave Lewis: New Chief Executive Officer of Tesco**

Largest retailer in UK Tesco has announced that current CEO Philip Clarke will step down as the CEO of the company and Unilever's chief of personal care, Dave Lewis will replace him as the new Chief Executive Officer of Tesco with effect from 1st October.

Clarke will continue to be available to support the transition until the end of January 2015. He will also remain chairman of the company's joint venture with CRE in China until that date.

### **Yahoo acquires Flurry**

US based internet giant Yahoo has acquired an app analytics firm, Flurry for nearly USD 200 million to boost its advertising revenue from smartphones. Flurry app helps app developers analyze data about their users and deliver more personalized ads to them. This is Yahoo's biggest acquisitions since its acquisition of Tumblr in 2012.

### **Zomato acquires MenuMania.co.nz**

Online restaurant search and discovery site Zomato has acquired MenuMania.co.nz, a popular New Zealand-based restaurant discovery service for an undisclosed amount. This will help Zomato to increase its presence in New Zealand as the combined entity will be the largest resource of restaurant information in New Zealand.

Zomato has been aggressively expanding its global presence with launches in Europe and Southeast Asia in the past six months though this is Zomato's first global acquisition. Currently the company is present in 41 cities across India,

UK, UAE, South Africa, New Zealand, Philippines, Portugal, Brazil, Turkey, Indonesia, Sri Lanka, and Qatar.

### **Saudi Arabia Opens its \$530 billion Stock Market to FIIs**

Oil-rich Saudi Arabia for the first time, plans to open its \$530 billion stock market to foreigners in early 2015, a move that will allow the Middle East's biggest economy to attract more FII investment. Companies can access the largest stock market in the Middle East directly. Before that there was indirect access to the market through swaps.

### **JP Morgan names Krause to lead China bank**

JP Morgan Chase & Co named Brett Krause to head its locally incorporated bank in China, adding to other recent hires as it rebuilds its leadership team in the country.

Krause, a banking veteran with 20 years experience, was hired as president of JP Morgan Chase Bank (China) Company Limited, the New York-based bank said. He joined JP Morgan in January and previously held leading roles at Citigroup, including senior country officer in Vietnam.

### **Apple revenue lags market expectations**

Apple sold 35.2 million iPhones in the June quarter, a rise of about 13 per cent. Apple Inc has posted a smaller-than-expected 6 per cent rise in quarterly revenue, but revenue surged 28 per cent in greater China despite stiff competition in its third-largest market.

The iPhone maker, reported sales of \$37.4 billion in its fiscal third quarter ended June against market

expectation of \$40 billion. Sales of iPads came at 13.3 million. Net income jumped 12.2 per cent to \$7.75 billion, or \$1.28 per share. That beat expectations for \$1.23 and was its best quarterly growth in EPS in seven quarters.

Chief Executive Tim Cook told that sales are below market expectation of \$40 billion because of Low-cost phones sold by up-coming rivals such as Xiaomi.

#### **ISDA names Scott O'Malia as CEO**

Global derivatives trade body, the International Swaps and Derivatives Association (ISDA) has appointed leading US regulator Scott O'Malia as its chief executive.

ISDA is the major global lobby group for the over-the-counter derivatives market, having the world's largest investment banks among its members. The trade body has played a key role after the 2008 global financial crisis.

The appointment comes after the international banking community is starting to get to grips with new derivatives trading rules introduced under the U.S. Dodd-Frank Act.

#### **PepsiCo's Profit Drops**

New York based PepsiCo Inc. said their earnings has decreased by 2 percent in its second quarter 2014. The Company's net income fell to \$1.98 billion, or \$1.29 per share, from \$2.01 billion, or \$1.28 per share, in the same quarter a year ago. The company reported revenue of \$16.89 billion compared with \$16.81 billion in the same quarter a year ago.

#### **Swiss bank charged with tax fraud**

Swiss bank UBS was charged with

tax fraud in Paris for allegedly helping rich French clients to hide money in Switzerland.

The OECD in its report said countries had identified an estimated 37 billion euros of hidden taxes through voluntary disclosure by more than half a million taxpayers in recent years.

#### **Unilever sales slowdown**

The Anglo-Dutch multinational Unilever missed second-quarter sales estimates, due to a slowdown in the emerging markets and continuing economic problems in the developed markets.

Maker of Ben & Jerry's ice cream, Dove soap and Lipton tea said underlying sales - which exclude the impact of foreign exchange, acquisitions and disposals - rose 3.8 percent, compared to analysts' expectations of 4.3 percent.

#### **IATA rues black week for aviation**

The International Air Transport Association (IATA) said it will take all possible action to boost global aviation safety after a black week for the industry that claimed over 460 lives in three separate crashes.

- A Malaysia Airlines jet crashed, killing all 298 people on board.
- A Taiwanese aircraft crashed in torrential rain in southwest Taiwan, killing 48.
- An Air Algerie flight crashed in Mali killing all 116 people on board.

The IATA represents 240 airlines around the world that account for 84 per cent of total air traffic.

#### **Malaysia Airlines to change name**

Malaysia Airlines is planning a name change and restructuring of routes in

a bid to repair its reputation, to improve its brand image and rebuild its business that has been badly hit after two successive plane crashes. Majority of the stake in the airline is owned by the government and the management wants to change its name as part of brand building and also seek new investors to rebuild its business after two major disaster within six months killing 537 people.

In March, flight MH370, which was traveling from Kuala Lumpur to Beijing, lost touch with air traffic control, an hour after take-off. It was carrying 239 passengers, including 5 Indians, and crew. The remains of the plane which is believed to have crashed in the southern Indian Ocean is yet to be recovered.

Another incident was of the Boeing 777 MH-17 with 298 people on board, flying from Amsterdam to Kuala Lumpur as it was downed in the region of Donetsk, Ukraine. All 298 people on board were killed.

#### **Typhoon Rammasun is having impact on China and Taiwan**

Typhoon Ramassun has badly hit China as its business and economy suffered huge economic losses in July. The official data revealed that direct economic losses amounted to 26.55 billion yuan (\$4.32 billion) in south China which was the main affected area.

Rammasun killed at least 11 people when it hit northern Vietnam while China counted 33 dead from the strongest storm to strike southern China. The storm, the strongest in 41 years, hit China's southern region, damaging roads and ports, cutting electricity and water supplies.

Worst hit was Hainan, where the storm made its first landfall. 51,000 houses and 40,600ha (100,300 acres)

of crops had been destroyed. The typhoon caused US \$1.7bn in economic loss on the island.

#### **Dow Jones Industrial Average zooms**

The Dow Jones industrial average crossed 17,000 for the first time in July, 2014 clearly sending a signal of the next bull run phase to start. The 118-year-old Dow, the oldest gauge for tracking stock prices has also gained the 1,000-point milestone in the current session of 2014.

The record came after the government reported surprisingly robust job gains in June. Job creation numbers have boosted the investor sentiment that US economic growth is picking up and the worst is over.

#### **GM recalls 7.6 M vehicles**

General Motors has recalled at least 7.6 million vehicles dating back to 1997 to fix faulty ignition switches. GM says they are aware of three deaths, eight injuries and seven crashes involving the vehicles recalled. The company says it has no conclusive evidence that faulty switches caused the crashes but still the company wants to help its customers on a safety issue.

The recall will cost \$1.2 billion for GM to book as recall-related expenses. Chief executive Mary Barra said nothing is more important than the safety of our customers. Barra added that GM will continue to identify outstanding issues that could impact the safety of its customers.

#### **WHO predicts low risk from Ebola**

WHO (The World Health Organization

) is not recommending any travel restrictions or border closures due to the Ebola outbreak and said there would be a low risk to other passengers if an Ebola patient flew, the airlines association IATA said.

It said Ebola is only transmitted when patients are displaying severe symptoms. Ebola starts with fever, weakness, muscle pain, headache and sore throat, then vomiting, diarrhea, impaired kidney and liver function and finally internal and external bleeding.

The Ebola symptoms' first outbreak in the West African country Guinea in February has spread to Liberia and Sierra Leone. With more than 1,200 cases and 672 deaths, it is the largest death toll since the Ebola virus was discovered almost 40 years back.

#### **Sony posts net profit on PlayStation 4 sales**

Japan based consumer electronics giant Sony reported a \$261 million first-quarter net profit due to sales of its PlayStation 4 console and a weak yen. The gains arose largely by a significant increase in games and network services segment sales as well as the favorable impact of foreign exchange rates. The company's net profit came to 26.8 billion yen (\$261 million) for the three months through June, up from 3.1 billion yen a year earlier, with sales rising 5.8 per cent to 1.8 trillion yen.

A weak yen boosts the profitability of the company. The company also said box-office hits, including "The Amazing Spider-Man 2", also boosted results. Sony has been

undergoing a painful restructuring after years of losses.

#### **Syria war causes losses to the oil industry**

Syria's oil minister Suleiman Abbas has said that their oil and gas industries have suffered total losses of \$21.4 billion since the crisis began three years ago.

Direct losses to the oil and gas sectors amounted to \$3.5 billion in terms of stolen and wasted oil and gas, and damage or theft of infrastructure, pipelines and vehicles.

He added that indirect losses, or lost profits, accounted for \$17.9 billion. At the start of the war, Syria produced 385,000 barrels of oil a day. Production dropped to 17,000 barrels a day, while gas production has been halved.

#### **McDonald's Profit Falls**

The world's biggest restaurant chain by revenue- McDonald's, reported a lower-than-expected quarterly profit as comparable sales in its struggling U.S. business fell for the third straight quarter and sales in Europe declined for the first time in four quarters. U.S. sales fell 1.5 percent in the second quarter ended June 30.

The U.S. business accounts for 30 percent of the fast food chain's overall revenue. Comparable sales in Europe fell 1 percent, while those in the Asia Pacific region, the Middle East and Africa rose 1.1 percent combined. McDonald reported net income of \$1.39 billion, or \$1.40 a share, in the quarter compared with \$1.40 billion, or \$1.38 a share, a year earlier. ♦