

## Corporate Snapshot: NATIONAL

### PM launches “Make In India” campaign

Prime Minister Narendra Modi launched the **Make In India** Campaign at Vigyan Bhawan in New Delhi in order to make India a global manufacturing hub. The promotion is intended to attract foreign companies to set up their manufacturing units in India and to obtain larger foreign investment. **Modi said that “Make In India”** is a major new national program, designed to facilitate investment, foster innovation, enhance skill development, protect intellectual property, and build best-in-class manufacturing infrastructure. There's never been a better time to 'Make in India'.

The 'Make in India' campaign aims to turn the country into a global manufacturing hub and also to transform the economy from a Service-driven to Labour-intensive and manufacturing driven. The move is intended to create jobs for over 10 million people. Manufacturing contributes only 15% to India's gross domestic product; authorities want to raise it to 25%. Through the 'Make In India' campaign, the Union Government intends to simplify complex rules and bureaucratic red tape of Indian administration. This will further assist the global investors in choosing India as their investment choice. According to the World Bank's ease of doing business index, India ranks very low at 134 (out of 189) nations in 2014. The 'Make in India' campaign will act as a catalyst for foreign investors to look at India as an Investment destination and will look at all aspects of regulatory and policy issues and support them in attaining regulatory sanctions.

The 'Make In India' campaign places stress on 25 sectors with emphasis on job creation and skill development. These include: automobiles, chemicals, IT, pharmaceuticals, textiles, ports, aviation, leather, tourism and hospitality, wellness, railways, auto components, design manufacturing, renewable energy, mining, bio-technology, pharmaceuticals and electronics, etc.

Launching the initiative in a programme which was attended by lots of global and domestic business leaders including Mukesh Ambani and Azim Premji, Modi said that the biggest factor to attract investment is to create an atmosphere of trust. He also said his definition of FDI for the people of India is First Develop India.

### Features of the 'Make In India' campaign

- Govt to look into all regulatory processes to ease the load on investors.
- A dedicated cell to answer enquiries from the

business bodies via a freshly created web portal.

- The portal to assist investors find instant answers to their general queries
- Back-end support team to answer specific enquiries within 72 hours
- All Central government services are being integrated with an e-Biz single window online portal.
- Initiating self-certification
- The Union Ministry of Home Affairs has been asked to provide all security clearances to investment proposals within 3 months.
- An advisory has been sent to all departments/ state governments to streamline and straighten out the regulatory environment.
- With his “Come, make in India” slogan in his Independence Day speech, Mr. Modi had invited global companies to set up manufacturing units in India to supply to the rest of the world.
- The campaign also includes invitations to the world's top 3,000 companies to explore investment possibilities in India. Indian Embassies around the world are expected to join the campaign.
- The Department of Industrial Policy and Promotion has set up an eight-member expert panel to redress grievances and handle queries of global and domestic investors within 24 hours.

### RECENT POLICY MEASURES undertaken by the new government to facilitate investments:

- 100% FDI allowed in the telecom sector.
- 100% FDI in single-brand retail.
- FDI in commodity exchanges, stock exchanges & depositories, power exchanges, petroleum refining by PSUs, courier services under the government route has now been brought under the automatic route.
- Removal of restrictions in tea plantation sector.
- FDI limit raised to 74% in credit information & 100% in asset reconstruction companies.
- FDI limit of 26% in defence sector raised to 49%

under Government approval route. Foreign Portfolio Investment up to 24% permitted under automatic route. FDI beyond 49% is also allowed on a case to case basis with the approval of Cabinet Committee on Security.

- Construction, operation and maintenance of specified activities of Railway sector opened to 100% foreign direct investment under automatic route

### **China to invest \$100 billion in India**

The **Chinese President Xi Jinping** has promised to invest \$100 billion or Rs 6 lakh crore over next 5 years. This is approximately thrice the \$35 billion locked by Prime Minister Narendra Modi during his recent Japan trip.

China will first invest \$7 billion in industrial parks in Pune and Gandhinagar, which is just the tip of the iceberg as Chinese firms are aiming over \$50 billion worth of investments in transformation of the Indian railways and running bullet and hi-speed trains in India. The Indian Railways **has been granted approval for 100% FDI**, and consequently it will come up with a wide-ranging plan for facilitating FDI in the sector. China is eager to invest additional \$50 billion in roads, ports and the NDA government's determined river-linking plan.

### **SC cancels allocation of 214 coal blocks**

The Supreme Court cancelled allocation of 214 of the 218 coal blocks allotted between 1993 and 2010 by the Central government as it ruled that the process of allotting the coal blocks was not transparent. The Supreme Court has directed the Government to allocate these coal blocks in a transparent manner.

A bench led by Chief Justice RM Lodha, spared only the four coal blocks used for mega power projects by the state-run National Thermal Power Corporation and Steel Authority of India and two allocated to Sasan ultra mega power projects from being cancelled. The Supreme Court has also allowed the companies a six months' timeframe to release already operational 46 coal blocks. Post that timeframe, companies can bid for these coal blocks.

This ruling will have a significant impact on power, steel and mining companies as their share prices dropped steeply following this ruling. Also, this will increase NPAs of banks as these companies have taken huge amount of loans for different projects.

The decision comes as a windfall for the government as the court has ordered the owners of the cancelled coal blocks to cough up Rs. 295 as compensation for every ton of coal they extracted illegally, to make up for the loss to the exchequer. The levy was calculated with reference to the figures of loss

arrived at by the Comptroller and Auditor General. The government is expected to get Rs. 8,000- 10,000 crore this way. The government is also free to auction the cancelled blocks.

The court's decision stems from the 2012 allegations by the national auditor that the government underpriced the coal mines and gave away as much as \$33 billion or Rs. 1.86 crores in windfall gains to companies in the scandal that has come to be known as "coal-gate". Coal fuels more than two-thirds of the power generated in India, and while the number of power plants has grown, various court cases and red tape have slowed coal output growth. India is suffering from critically low coal supplies which it needs to fuel power plants.

### **UBI declares kingfisher a willful defaulter**

**Kolkata based United Bank of India has declared debt-ridden Kingfisher Airlines and its owner Vijay Mallya as wilful defaulters as they failed to repay the loans. Three Kingfisher Airlines Ltd directors A.K. Ganguly, Subhash Gupte and Ravi Nedungadi were also declared as wilful defaulters.**

Post this declaration, it will be difficult for UB Group companies to secure any loan or bank finance from any bank. Banks will now initiate criminal proceedings against Mallya and force him to quit company boards.

### **SC declines relief to Mallya, Kingfisher**

The Supreme Court denied relief to debt-ridden Kingfisher Airlines who challenged the decision of the Grievance Redressal Committee (GRC) of the United Bank of India to declare the airline and its promoter Vijay Mallya as wilful defaulters.

A Bench of Justices Anil R. Dave and U. U. Lalit refused to entertain the company's petition seeking a direction to the government allowing liberty to make representation before the UBI's grievance committee and right to a legal representative.

The airline claimed that it was declared a wilful defaulter without giving it an opportunity to be heard. It submitted, through counsel, that the defaulter order by UBI "blacklists" the company leading to serious consequences.

### **"Willful defaulter tag to give more power to banks: RBI Governor**

*"The wilful defaulter tag is a powerful weapon in the hands of creditors for resolving distressed assets. It shuts out access to credit within the Indian financial system for a borrower,"* RBI Governor Rajan stated without naming Vijay Mallya, who was recently declared a willful defaulter by the United Bank of India (UBI).

Besides Bank of India UBI, Kingfisher owes about 9,140

crore rupees to about a dozen banks. Vijay Mallya is the chairman of United Breweries, producer of India's best-selling beer brand Kingfisher. He is also the chairman of United Spirits, now controlled by Diageo.

#### Definition of “wilful default” as per RBI:-

A “wilful default” would be supposed to have happened if any of the subsequent events is observed:-

(a) **Deliberate non-payment of the dues regardless of sufficient cash flow and good networth:** The unit has defaulted in meeting its payment/ repayment commitments to the lender even when it has the capacity to honor the stated obligations.

(b) **Siphoning off of funds to the disadvantage of the defaulting unit:** The unit has defaulted in meeting its payment/ repayment commitments to the lender and has not utilized the finance from the lender for the definite reasons for which finance was availed of but has diverted the funds for other reasons.

(c) **Assets financed either not been purchased or been sold and proceeds have been mis-utilized, Misrepresentation/ falsification of records or Fraudulent transactions by the borrower:** The unit has defaulted in meeting its payment/ repayment obligations to the lender and has siphoned off the funds so that the funds have not been utilized for the specific purpose for which finance was availed of, nor are the funds available with the unit in the form of other assets.

(d) **Disposal/ removal of securities without bank's knowledge:** The unit has defaulted in meeting its payment/ repayment obligations to the lender and has also disposed off or removed the movable fixed assets or immovable property given by him or it for the purpose of securing a term loan without the knowledge of the bank/lender.

#### Govt amends CSR norms

The government has recently made changes to the norms governing expenses on **Corporate Social Responsibility (CSR)** by companies under the fresh Company Law (2013). Now, a particular class of profitable companies is bound to spend minimum 2% of their 3-year yearly average net profit towards CSR work.

The obligation is part of the Companies Act, 2013, most of whose requirements came into effect from April 1, 2014. As per the rules, companies are permitted to build CSR capabilities for their own personnel via other institutions given that such expenses do not exceed 5% of the total expenditure incurred on social welfare activities in one financial year. This 5% cap would include “expenditure on administrative overheads”.

The new CSR norms would be applicable on companies

having at least Rs 5 crore net profit, or Rs 1,000 crore turnover or Rs 500 crore net worth. Such corporates would be required to spend 2% of their 3-year average yearly net profit on CSR activities in each financial year, beginning 2014-15 fiscal.

Several activities including livelihood improvement and rural development projects, lessening inequalities faced by socially and economically backward groups, working towards safeguard of national heritage, art and culture, comes under the Corporate Social Responsibility (CSR) domain.

#### SEBI relaxes norms for minimum one woman director

In an effort to simplify the procedure of executing better corporate governance norms by listed firms, the market regulator SEBI (**Securities and Exchange Board of India**) relaxed several provisions of the fresh law, particularly for smaller companies, and stretched the deadline for appointing at least one woman director to April 1, 2015.

Although amendments were made to numerous provisions of the Corporate Governance Code in order to align it with the appropriate sections of the new Companies Act (2013), the deadline would remain unmoved at October 1, 2014, except for obligation of a minimum one woman director on the boards of listed companies. Thus, the listed companies would have time till April 1, 2015 to fulfill the woman director-related provision.

#### HMT Watches to shut down

India's Iconic Wrist Watch brand “HMT” is set to be shut down in a phased manner. Burdened with losses for more than a decade, the government is set to shut down the company which was restructured in 1999, but nothing changed for it.

HMT reported losses of Rs 242 crore on revenues of only Rs 11 crore during 2012-13, in contrast, Titan's watch business reported sales of Rs 1,675 crore during the year. HMT employs 1,105 people, which includes 181 executives.

**HMT (HMT Limited, formerly Hindustan Machine Tools Limited)**, a state-owned manufacturing company under the “Ministry of Heavy Industries and Public Enterprises” in India, was **incorporated in 1953** by the Government of India as a machine tool manufacturing company, as part of the government's attempts to shape a modern India. Over the years, it diversified into watches, tractors, printing machinery, metal forming presses, die casting & plastic processing machinery, CNC systems & bearings.

HMT almost had a free run from the time when **in 1961 it set up the country's first watch manufacturing unit in Bangalore in collaboration with Citizen Watch Co.** In fact, it claims **many firsts to its credit — the first**



### **automatic day-date watch to the first Braille and quartz watches. HMT's ad punch line depicted it as "timekeepers to the nation".**

But it was the quartz watches that turned out to be its downfall along with the entrance of numerous new players in the 1980s, who brought in fresher designs and more modern production methods. HMT is said to have been faltered by slow decision-making, frequently linked with PSUs. As a consequence, numerous efforts to improve the company's performance including capital infusion didn't work. During the UPA government's term, HMT Watches was referred to the Board for Reconstruction of Public Sector Enterprises, which suggested revitalization. While the UPA desisted from resolving on the matter, the BJP government decided to go ahead with a hard choice.

### **Union Cabinet approves disinvestment in ONGC, Coal India, NHPC**

The CCEA (Cabinet Committee on Economic Affairs) headed by the Prime Minister, approved the sale of shares in Coal India, ONGC and NHPC to garner a total of Rs 43,000 crore. The move came to speed-up the disinvestment process in India.

At current valuation, the sale of shares in state-owned CIL, ONGC and NHPC could bring over Rs 23,000 crore, Rs 18,000 crore and Rs 2,800 crore respectively, thus assisting the government meet its disinvestment target of Rs 43,425 crore for this fiscal. CCEA cleared 10% stake dilution in CIL (Coal India Limited), 5% in ONGC (Oil and Natural Gas Corporation Limited) and 11.36% in NHPC (National Hydroelectric Power Corporation) via the Offer For Sale (OFS) route.

The government had earlier missed its disinvestment goals for 5 successive financial years:-

- 2010-11 and 2011-12: Government could raise Rs 22,144 crore and Rs 13,894 crore via disinvestment, against the budgeted target of Rs 40,000 crore in each year.
- 2012-13: Govt. could raise Rs 23,956 crore, as against the target of Rs 30,000 crore.
- 2013-14: Government could raise Rs 16,027 crore, as against the budgeted aim of Rs 40,000 crore. The target in revised estimates was scaled down to Rs 16,027 crore.

A planned stake sale in CIL in 2013-14 had to be deferred after stiff opposition from the trade unions. The coal major had to make up for that by paying about Rs 19,000 crore as dividend to the exchequer. The government, which holds an 89.65% stake in CIL, initially sought to divest a 10 per cent stake but lowered it to 5% on account of opposition from the

unions. Government holds 85.96% stake in NHPC. The stake sale would help the company comply with the minimum 25% public shareholding norm of market regulator SEBI.

The disinvestment department has already selected three merchant bankers for managing the NHPC stake sale:

1. Edelweiss Financial
2. IDFC Capital
3. HSBC Securities

In the current fiscal, the government plans to mop up Rs 43,425 crore from selling its stakes in PSUs.

### **BSNL and MTNL to be merged by July 2015**

The **Department of Telecommunications (DoT)**, Ministry of Communications and Information Technology, has set a July 31, 2015 deadline for closing the much debated merger of stressed state-run telecom companies, **BSNL (Bharat Sanchar Nigam Ltd)** and **MTNL (Mahanagar Telephone Nigam Ltd)**.

**MTNL runs telecom services in Delhi and Mumbai while BSNL offers telecom coverage in the rest of India.**

**Bharat Sanchar Nigam Limited (BSNL)** incorporated on September 15, 2000, is an Indian state-owned telecommunications company headquartered in New Delhi, India. In India, BSNL is the largest supplier of Fixed Telephony and 4th largest Mobile Telephony supplier, and is also a supplier of broadband services. BSNL is India's oldest and largest Communication Service Provider (CSP). Till January 2014, BSNL had a customer base of 117 million.

**Mahanagar Telephone Nigam Limited (MTNL)** set by the Govt. of India on April 1, 1986 is a state-owned telecommunications service provider in the metro cities of **Mumbai and New Delhi** in India and in the island nation of Mauritius in Africa via its subsidiary **Mahanagar Telephone Mauritius Limited (MTML)**. At present, The Government of India holds 100% stake in the MTNL.

**Mahanagar Telephone Mauritius Limited (MTML)** in Mauritius is a wholly owned subsidiary of MTNL. It provides mobile and international long distance services. MTML is the 2nd operator in Mauritius. In January 2004, MTML obtained necessary licenses to operate in Mauritius.

In recent years BSNL's and MTNL's revenue and market share have slumped into substantial losses because of extreme competition in the Indian telecommunications sector. The Government is attempting to revitalize the two financially stressed telcos, which continue to roll under heavy losses. MTNL posted a Rs 733.2 crore net loss in Q1 2014, while BSNL suffered a Rs 7,085 crore loss in 2013-14.



### **Global Competitiveness List 2014-15: India slides down to 71st rank**

Challenging economic environment for most of the last year has pushed India down to 71st position in a yearly Global Competitiveness List for 2014-15, released by the Geneva-based World Economic Forum (WEF). India has the lowest position amongst the 5 BRICS Nations. Switzerland is the most competitive economy.

The yearly list has come at a time when the fresh Modi Government has just completed 100 days in power. Thus it faces the test of bettering competitiveness and revitalizing the economy, which is at present growing at half the rate of 2010.

As per the Global Competitiveness Report 2014-15 the Top 10 nations are as follows:-

- 1) Switzerland
- 2) Singapore
- 3) United States
- 4) Finland
- 5) Germany
- 6) Japan
- 7) Hong Kong SAR
- 8) Netherlands
- 9) United Kingdom
- 10) Sweden

### **Ranking Amongst the BRICS Nations:-**

- 28) China
- 53) Russia
- 56) South Africa
- 57) Brazil
- 71) India

The decline in India's position by 11 places to 71st, set against the gains of the ASEAN's 5 nations, indicates that the competitiveness divide between South and Southeast Asia is becoming more noticeable. India's downslide in the competitiveness rankings started in 2009, when its economy was still rising at 8.5% (it even grew by 10.3% in 2010).

Bettering competitiveness would bring in enormous profits for India, it would help re-balance the economy and shift the nation up the value chain warranting more solid and stable growth. This would in turn produce more employment opportunities for India's speedily rising population.

### **ICICI Bank announces 'Cardless Cash Withdrawal'**

India's largest private sector bank, ICICI Bank has announced its 'Cardless Cash Withdrawal' service that allows its customers to transfer money from their account to anyone even without a banking account and only with a mobile number in India.

The recipient can withdraw money without using a debit card from over 10,000 ATMs of ICICI Bank across the country 24x7. One can do this even without having a bank account of any bank. However, the sender needs to be an ICICI Bank savings account holder.

### **Basel III norms makes it easy to raise capital for Banks**

The Reserve Bank of India (RBI) has introduced a number of changes in bonds issued under Basel III international banking norms to make it easier for banks to raise capital and make such bonds attractive for investors.

As part of the changes, the minimum maturity period of such bonds has been reduced and banks have been allowed to tap retail investors. RBI has now allowed banks to issue any kind of papers to retail investors, including tier-I bonds and tier-II perpetual bonds. Earlier banks were not allowed to issue tier-I bonds to retail investors.

The RBI has also reduced the minimum duration after which call options are permissible in perpetual debt instruments from 10 to five years to make it more popular among retail investors. The minimum maturity of Tier-II debt instruments has also been reduced from 10 to five years.

### **RBI relaxes KYC norms, allows self-certification of documents**

The Reserve Bank of India, relaxed KYC (Know Your Customer) norms further by allowing self-certification of documents for opening bank accounts with immediate effect in order to help customers to open a bank account easily. The RBI has asked banks to accept self-certified copies of the documents by mail, or post for opening an account.

Also, banks will not insist on physical presence of the customer at the time of periodic updating and they will not seek fresh proof of identity and address at the time of periodic updating in case of no change in status for 'low risk' customers. The RBI added that if the customers are unable to comply within a reasonable period of time, partial freezing may be introduced for KYC non-compliant customers.

### **RBI releases Gopalakrishna Committee report**

The Reserve Bank of India released the Gopalakrishna Committee report on Capacity Building in banks and non-banks this week. The committee, headed by former Executive Director, RBI, G Gopalakrishna, has recommended a 360-degree feedback for a transparent and comprehensive performance assessment exercise, one that

ensures adequate performance differentiation between employees.

As per the RBI website, the above Committee was constituted by the Reserve Bank with the objective of implementing non-legislative recommendations of the Financial Sector Legislative Reforms Commission (FSLRC) relating to capacity building in banks and non-banks, streamlining training intervention and suggesting changes thereto in view of ever increasing challenges in banking and non-banking sectors.

#### **Mukesh Ambani richest man in India**

Mukesh Ambani retained the No 1 position as the richest man in India with a fortune of Rs 1.65 lakh crore, as per the Hurun India Rich List for 2014. Ambani tops the list of 230 individuals for the third consecutive year.

Dilip Sanghvi of Sun Pharmaceuticals secured the second position, overtaking LN Mittal for the first time, after seeing his wealth grow by 43% to Rs 1.29 lakh crore. LN Mittal dropped to third place with total fortune of Rs 97,000 crore followed by Azim Premji at fourth place with total fortune of Rs 86,000 crore.

#### **T.Suvarna Raju next Chairman of Hindustan Aeronautics Ltd.**

The Public Sector Enterprises Selection Board has named T.Suvarna Raju as the next Chairman of the defence PSU Hindustan Aeronautics Ltd. He will succeed current Chairman R.K.Tyagi who will superannuate at the end of January 2015.

#### **Nasser Muinjee is DCB Bank chairman**

The board of directors of DCB Bank Ltd has reappointed Nasser Munjee as part-time chairman for another three years with effect from 19<sup>th</sup> August 2014. The private sector bank said Munjee's reappointment is pursuant to the approval of the Reserve Bank of India, as per its filing to the stock exchange.

#### **American Express appoints Manoj Adlakha as CEO**

**American Express Banking Corp (AEBC), India, the Indian unit of American Express, has appointed Manoj Adlakha as Chief Executive Officer.** He replaced Shailesh Baidwan and will be responsible for running American Express' proprietary consumer card and prepaid businesses in India. Before this, Manoj had over the last five years led the American Express Corporate Business.

#### **RBI fixes the maximum age for MD and CEO in private sector banks at 70**

The Reserve Bank of India has decided to fix the maximum age for Managing Directors and Chief Executive Officers in private sector banks at 70. RBI said in the light of the

provisions of the Companies Act, 2013, the upper age limit for Managing Director & Chief Executive Officer (MD & CEO) and other Whole Time Directors (WTDs) of banks in the private sector should be 70 years.

Within the overall limit of 70 years, individual bank's boards are free to prescribe a lower retirement age for WTDs, including MD & CEO, as an internal policy.

#### **Axis Bank in Forbes Asia's FAB 50 list**

India's third largest private bank, Axis Bank has been featured in Forbes Asia's FAB 50 list of 2014. This is the fourth time that Axis Bank has been featured in the list along with only two other banks.

The FAB 50 comprises of the best of Asia-Pacific's biggest publicly traded companies, chosen from a pool of 1,300 companies in the region that have at least USD 3 billion in market cap or annual revenue.

#### **Padukone is Asian Paints's new brand ambassador**

Asia's third largest paint company, Asian Paints has roped in Bollywood actress Deepika Padukone as its new brand ambassador to endorse its brand, "Royale Play". This is the first time the company has appointed a brand ambassador to market its product, which identified women as its target group.

#### **TCS: N Chandrasekaran to continue as CEO and MD**

India's largest software services firm Tata Consultancy Services (TCS) announced that the tenure of its Chief Executive Officer and MD N Chandrasekaran has been extended by five years to October 2019. Chandrasekaran, who was appointed CEO and MD for five years on October 6, 2009, has been re-appointed for another five years. His re-appointment will be effective from October 6, 2014.

Under his leadership, the company has seen its revenues growing to Rs. 85,933 crore (in last quarter), from Rs. 29,091 crore in Q2 FY'10 (when he took over). The company has grown at a CAGR of 24.2% one of the highest in the industry. TCS' market cap has also increased 4.1 times under his leadership from Rs. 1.2 lakh crore to Rs. 4.97 lakh crore.

#### **Yahoo acquires Bookpad**

Yahoo has acquired Bangalore-based startup company Bookpad for around USD 8.3 million, which has become the first Indian tech startup to be bought by Yahoo. The deal comes some eight months after Facebook snapped up Bangalore's Little Eye Labs.

Post the deal, the team of Bookpad will be moving to Silicon Valley soon. Founded by IIT-Guwahati alumni Niketh Sabbineni, Aditya Bandi and Ashwik Reddy, Bookpad is competing with large companies like Google and Crocodoc

in document viewing.

### **RBI: segregate the post of chairmen and CMD in PSU banks**

**The Reserve Bank of India has proposed to segregate the posts of Chairman and Managing Director (CMD) in Public Sector Undertaking (PSU) banks.** It has also proposed a separate committee for appointment of directors on the board of PSU banks.

RBI has made these proposals as part of its initiatives to improve corporate governance in the PSU banks based on the recommendations of the PJ Nayak Committee. The RBI proposal may delay the appointments of Chairman in at least ten PSU banks.

### **GCMMF 15th top dairy organisations in the world: IFCN**

The Gujarat Cooperative Milk Marketing Federation (GCMMF), which sells the Amul brand of milk products, ranks 15th among the top dairy organisations in the world as per the International Farm Comparison Network (IFCN). Amul has also emerged as the fastest growing dairy organisation as its rank improved from 20 in 2012 to 15th this year in terms of milk procurement and turnover per kg milk.

The milk cooperatives federation expects the average milk procurement to remain around 155 lakh liters per day (LLPD) for the year 2014-15.

### **Mathew the new MD and CEO of South Indian Bank**

V.G. Mathew has been appointed as the new Managing Director (MD) and Chief Executive Officer (CEO) of Kerala-based South Indian Bank Ltd. He was appointed for three years with effect from 1 October 2014. He will replace V.A. Joseph who will retire on 30<sup>th</sup> September 2014.

### **Amit Mathew elected chairman of ABC**

Amit Mathew, the Resident Editor and director of Malayala Manorama, has been unanimously elected as the chairman of Audit Bureau of Circulations (ABC) for the year 2014-15. At the same time, Shashidhar Sinha, CEO (India), IPG Mediabrands, has also been unanimously elected as the deputy chairman of the bureau for the same period.

AP Government signs MOU with GoogleThe Andhra Pradesh Government has signed a Memorandum of Understanding (MoU) with global tech giant Google's Indian arm for Digital AP project. As per the agreement, Google India will work with the AP government to get women and small and medium businesses online and help them gain from the internet economy.

### **Cardekho.com acquires Gaadi.com**

AutoPortal Cardekho.com has acquired another car information related portal Gaadi.com for nearly USD 11 million as part of its consolidation in the online car information or classified sector. This combined entity will be the biggest one in the sector.

Post this acquisition, both the companies will operate independently and as separate businesses in order to drive focus, especially in the pre-owned car business.

### **Unilever's COO Harish Manwani to retire**

Global FMCG giant Unilever's Chief Operating Officer Harish Manwani will retire on 31<sup>st</sup> December this year after completing 38 years of service in the company. Manwani, who is also the first ever COO of Unilever, will continue as Non-Executive Chairman of Hindustan Unilever Ltd, the Indian arm of the FMCG giant.

### **SEBI appoints Gyan Bhushan as its chief vigilance officer**

Capital market regulator SEBI has appointed Gyan Bhushan as its chief vigilance officer. He succeeds R K Padmanabhan, against whom CBI launched an inquiry in connection with purported weakening of a case against the promoters of Bank of Rajasthan (BoR).

### **Anil Agarwal to donate 75% of his family wealth**

NRI businessman Anil Agarwal and his family have decided to give away 75% of their wealth for the good of the society in order to give it back to the society. He announced the same at a function to celebrate the 10th anniversary of Vedanta's listing on the London Stock Exchange.

The Chairman of Vedanta Resources has a net worth of USD 3.5 billion and he is ranked at 24<sup>th</sup> among India's richest persons as per Forbes. The pledge amount will be nearly USD 2.6 billion or about Rs. 15,900 crore which will be mainly used for eradication of poverty, child welfare and women empowerment in India.

### **T.Suvarna Raju next Chairman of HAL**

The Public Sector Enterprises Selection Board has named T.Suvarna Raju as the next Chairman of the defence PSU Hindustan Aeronautics Ltd. He will succeed current Chairman R.K.Tyagi who will superannuate at the end of January 2015.

### **Delhi Metro ranked 2<sup>nd</sup> in customer satisfaction**

The Delhi Metro has been ranked at the 2<sup>nd</sup> place among 18 international Metro systems in terms of overall customer satisfaction, as per an online customer survey result published recently. The survey was conducted among the commuters of these Metro systems by Global Metro Benchmarking Groups NOVA and CoMET in which Delhi



Metro along with London DLR and Bangkok were the best three performers in the Net Promoters Score (NPS) category.

### **MCX-SX is going to change name**

The Securities Exchange Board of India (SEBI) has approved a new name for MCX Stock Exchange (MCX-SX) which will now be known as the 'Metropolitan Stock Exchange of India Ltd', abbreviated as 'mSXI'.

The exchange is in the process of making an application to the Registrar of Companies (RoC) for registration of the new name.

### **Abhishek Ganguly is MD, Puma India**

Sportswear retailer Puma India Pvt. Ltd has appointed sales and retail head Abhishek Ganguly as the new managing director. He replaces Rajiv Mehta, who was managing director at Puma India since 2005. "As one of the founding directors of Puma India Abhishek brings with him a wealth of experience that will guide the brand towards its next leap in India."

Puma is estimated to be India's second largest sportswear brand ahead of Nike India and behind market leader Adidas. Around 12 percent of annual revenue of Puma India comes from online platforms such as Myntra, Jabong and Flipkart. Puma India now has around 300 stores in 100 cities and towns.

### **Infosys global partnership with Huawei**

- Infosys announced a global partnership with Huawei to offer enterprise customers big data and communication solutions besides expansion of its existing engagement with Microsoft and Hitachi Data Systems.
- Providing details, in separate press releases, Infosys said the IT solutions to be developed with Chinese multi-national ICT firm Huawei would be for enterprise customers looking to modernise operations with cloud infrastructure.
- Both the companies will build reference architectures and standardised solutions for big data platforms on Huawei hardware infrastructure.

### **Skoda launches its new SUV Yeti**

- Czech car maker Skoda, launched its new face-lifted sports utility vehicle (SUV), the Yeti, at a price of Rs.18.63 lakh for the 4X2 variant while its 4X4 variant is priced at Rs.20.14 lakh (prices ex-showroom, Maharashtra).
- Both variants are powered by a 2.0 TDI diesel engine.

- The new Yeti is being offered at a slight premium to the existing variant and will feature cruise control, KESSY system and Light Assist.

### **Sudarshan Venu is Joint MD of TVS Motors**

- In a significant move, the board of TVS Motor Company has appointed Sudarshan Venu, son of Venu Srinivasan, as the Joint Managing Director of the company.
- As a whole-time director, Mr. Venu has already been very active in the affairs of the company.
- In view of this, the board has chosen to elevate him to the position of Joint Managing Director.

### **Vijayan Rajes is UPASI President**

- Vijayan Rajes has been elected President of United Planters' Association of Southern India (UPASI) for 2014-15.
- Mr. Vijayan owns MSP Plantations, Yercaud, and has been serving on the Executive Committee of UPASI since 2002-03.
- N. Dharmaraj has been elected Vice-President of the organization

### **G.K.Pillai appointed Tata International chairman**

Former Home Secretary G.K.Pillai has been named the Chairman of Tata International Ltd., which is the global trading and distribution arm of the Tata group of enterprises. Mr.Pillai replaces B.Muthuraman as Chairman.

Tata International has a presence in over 40 countries across the globe. It has a turnover upwards of \$1.5 bn and employs 10,000 people.

### **S&P revises the rating outlooks to 'Stable' from 'Negative' on 11 Indian banks**

After upgrading India's credit rating outlook from 'Negative' to 'Stable', credit rating agency Standard & Poor's has revised the rating outlooks on 11 Indian banks and financial institutions to 'Stable' from 'Negative'. These banks include ICICI Bank, HDFC Bank, Axis Bank, Kotak Mahindra Bank, State Bank of India, Bank of India, IDBI Bank Ltd, Indian Bank, Union Bank of India, IDFC and Kotak Mahindra Prime.

## Corporate Snapshot: INTERNATIONAL

### Alibaba launches world's largest IPO

Alibaba Group Holding Ltd.'s shares opened for trading on the New York Stock Exchange (NYSE) under the ticker symbol "BABA" after its initial public offering (IPO) on the floor of the NYSE. Barclays is the Designated Market Maker for the company's stock, which opened at \$92.70.

As the largest ever U.S. IPO, Alibaba is the 88th company to conduct its IPO on the NYSE. It is the 25th technology company IPO, representing 57% percent of all technology company IPOs in the U.S. in 2014.

### About Jack Ma

Worth an estimated \$25 billion, Ma is China's richest person largely thanks to Alibaba, the e-commerce juggernaut he founded 15 years ago from a small apartment in the Chinese city of Hangzhou. Alibaba, which acts as an online retail middleman between buyers and sellers, made \$8.5 billion in revenues during its previous fiscal year from over \$300 billion worth of goods sold from sites like Taobao and Tmall. In September, Alibaba went public with a bang: its \$21.8 billion stock market debut rendered it the biggest U.S.-listed IPO ever, ousting Visa's 2008 offering from the top spot.

### Pricing of Initial Public Offering

Earlier, Alibaba Group Holding Limited announced the pricing of its initial public offering of 320,106,100 American depositary shares ("ADSs"), each representing one of its ordinary shares, at a price to the public of US\$68 per ADS for a total offering size of approximately US\$21.77 billion, assuming the underwriters do not exercise their option to purchase additional ADSs. The ADSs began trading on the New York Stock Exchange on September 19, 2014, under the symbol "BABA." Alibaba Group is offering 123,076,931 ADSs, and the selling shareholders are offering 197,029,169 ADSs.

### History and Milestones

Alibaba Group was established in 1999 by 18 people led by Jack Ma, a former English teacher from Hangzhou, China. From the outset, the company's founders shared a belief that the Internet would level the playing field by enabling small enterprises to leverage innovation and technology to grow and compete more effectively in the domestic and global economies. Since launching its first website helping small Chinese exporters, manufacturers and entrepreneurs to sell internationally, Alibaba Group has grown into a global leader in online and mobile commerce. Today the company

and its related companies operate leading wholesale and retail online marketplaces as well as Internet-based businesses offering advertising and marketing services, electronic payment, cloud-based computing and network services and mobile solutions, among others.

### Microsoft to launch 'Windows 10'

Software giant Microsoft Corp. has officially announced that its new 'Windows 10' Operating System which will replace the current operating system "Windows 8" will be launched soon. With this, Microsoft is restoring some of the more traditional ways of doing things and promises that Windows 10 will be familiar for users who are using older versions of Windows operating systems.

The software will run on a wide range of devices, from phones and tablets to PCs and Xbox games consoles, with applications sold from a single store. It also marks the return of the Start Menu, which had been removed from Windows 8.

### Google closes social networking site Orkut

Google closed its old social networking site Orkut permanently on 30<sup>th</sup> September 2014. Orkut, started in 2004, was named after its creator, Orkut Buyukkokten. This decision was taken as Orkut could not compete with its competitor Facebook and as Google also launched its new social networking site Google Plus.

Old users of Orkut will be able to take back-up of their pictures and posts till September 2016 and users can export their profile data, community posts and photos using Google Takeout. But no one will be able to create new IDs on the social networking site.

Orkut, which was started in 2004, saw impressive early growth. But after Facebook, which too started in 2004, started gaining pace, Orkut started losing the social media race. After 2008, it became the numero uno social media site in Brazil and India but in other countries, it lost to Facebook. Gradually, Facebook took over Orkut even in Brazil and India. In India, Facebook surpassed Orkut in terms of total registered users in 2010. In Brazil, the same happened in 2012.

### Cognizant acquires Cadient Group & Trizetto

Nasdaq-listed IT Services Company Cognizant has acquired digital marketing company Cadient Group for an estimated USD 30 million. Cadient serves a broad spectrum of life

sciences companies and its clients are spread across pharmaceutical, biotechnology, consumer health and medical device industries.

This acquisition will help Cognizant to increase its presence in Life science and pharma market. Currently Cognizant serves 28 of the top 30 global pharmaceutical companies and 16 of the top 20 health plans in the US.

### **About Cognizant**

Cognizant is a leading provider of information technology, consulting, and business process outsourcing services to the world's several leading companies. It is headquartered in Teaneck, New Jersey (U.S.). It had over 75 development and delivery centers worldwide and approximately 187,400 employees as of June 30, 2014. Cognizant is a member of the NASDAQ-100, the S&P 500, the Forbes Global 2000, and the Fortune 500 and is ranked among the top performing and fastest growing companies in the world.

### **About Cadient Group**

Cadient Group is a leading digital marketing agency providing its services to a diverse range of industry markets and stakeholders, including pharmaceuticals, biotechnology, medical devices, hospital and healthcare systems, institutions and associations. The agency specializes in producing solutions for innovative healthcare companies.

Cognizant also announced that it will acquire US-based healthcare technology & operations company Trizetto for about USD 2.7 billion in an all cash deal. Post this acquisition, the combined entity will serve nearly 245,000 healthcare providers with more than USD 3 billion in healthcare revenue. TriZetto and its 3,700 employees will be a part of Cognizant's existing healthcare business.

### **Hewlett-Packard announces business restructuring**

**Hewlett-Packard** has announced plans to separate into two new publicly traded Fortune 50 companies: one comprising HP's enterprise technology infrastructure, software and services businesses, which will do business as Hewlett-Packard Enterprise, and one that will comprise HP's market-leading personal systems and printing businesses, which will do business as HP Inc. and retain the current logo. Immediately following the transaction, which is expected to be completed by the end of fiscal 2015, HP shareholders will own shares of both Hewlett-Packard Enterprise and HP Inc. The transaction is intended to be tax-free to HP's shareholders for federal income tax purposes.

Both companies will be well capitalized and expect to have investment grade credit ratings and capital structures

optimized to reflect their distinct growth opportunities and cash flow profiles. The separation into independent publicly traded companies will provide each company with its own, more focused equity currency, and investors with the opportunity to invest in two companies with compelling and unique financial profiles well suited to their respective businesses.

### **Apple ranks as the world's most valuable brand**

Apple has been ranked as the world's most valuable brand with brand value of nearly USD 119 billion followed by Google at USD 107 billion, as per the Interbrand Best Global Brands annual report. Social networking giant Facebook has been the biggest riser in the chart at 29th spot with a brand value increasing by 86% to USD14.3 billion from USD 562 million.

Coca Cola secured the third place followed by IBM, Microsoft, GE, Samsung, Toyota, McDonald's and Mercedes-Benz in the list of top 10 brands.

### **Google launches Android One**

Global Tech giant Google launched the much awaited Android One based mobile phones with handset makers Micromax, Spice and Karbonn, at prices starting from Rs. 6,399. While Micromax has launched Canvas A1, Karbonn and Spice have launched Sparkle V and Dream Uno, respectively to run on Android One.

These handsets will be sold through online e-commerce partners Flipkart, Amazon and Snapdeal in the beginning and later these phones will be available in stores. The company will launch handsets with manufacturers such as Intex, HTC, Lava, Xolo and Lenovo in the near future.

### **Sergio Marchionne Ferrari's new chairman**

Luxury carmaker Ferrari announced that its Chairman Luca Cordero di Montezemolo will step down and will be replaced by Sergio Marchionne, who is also the chief executive of the parent group Fiat. The departure of Montezemolo was widely expected after escalating clashes between the two executives over strategy and the role of the luxury sports car business within the Fiat group.

Montezemolo, Ferrari's chairman since 1991, wanted to keep Ferrari autonomous, while Marchionne has been pushing to better integrate the business within Fiat to boost the group's move into the premium end of the car market as it seeks to rival the likes of Volkswagen and BMW.

### **IKEA signs up with the Telangana Government to set up a retail store**

Swedish furniture retail giant IKEA has signed up with the



Telangana Government to set up a retail store in Hyderabad. This will be IKEA's first store in India.

Ikea is one of the world's largest furniture, household goods and textiles retail companies headquartered in Sweden. This is the first company which has been allowed to make 100% FDI investment in single brand retail. It plans to launch a number of stores in India within 2017.

### **Microsoft acquires video game maker Mojang**

Microsoft acquired a Swedish video game maker Mojang for nearly USD 2.5 billion. This is the biggest acquisition by Microsoft after it acquired Nokia last year.

Mojang was founded in 2009 and it is the developer of a popular app named Minecraft. Minecraft is one of the top-selling apps on both Apple's iOS store and Android's Google Play. Post this acquisition, the entire team of Mojang will join Game studio of Microsoft.

### **Alibaba plans to set up private banks**

China's e-commerce giant Alibaba, which has recently marked its biggest IPO debut in NYSE, has received approval from Chinese Central bank authorities to set up a private bank in order to diversify its business into financial services. Alibaba is the latest company outside the financial sphere to win approval to start a bank in China.

Alibaba, through its subsidiary Zhejiang Ant Small and Micro Financial Services Group Co, will hold 30% of the share capital of the new bank, as per the China Banking Regulatory Commission.

### **iPhone 6 packs new features**

- Of Apple's new smartphones that were unveiled, the iPhone 6 will have a screen measuring 4.7 inches, while the iPhone 6 Plus will be of 5.5 inches. In both cases, developers will be able to design apps that can be viewed differently when the phone is held horizontally.
- The screen resolution on the Plus version will be sharper than previous iPhones, at 401 pixels per inch rather than 326.
- The new phones aren't as big as Samsung's latest flagship phones — 5.1 inches for the Galaxy S5 and 5.7 inches for the Note 4 — but they will be large enough to neutralise a key advantage Samsung and

other Android manufacturers have had.

- Apple says the new phones will be faster and have better battery life than previous versions. The phones will also have a new sensor to estimate how much you've climbed stairs, not just how far you've walked or run.
- The new phones (iPhone 6 will cost \$199 with a two-year contract in the U.S.) were made available in America from September 19.
- Apple also introduced a system, called Apple Pay, for using the phone to make credit card purchases at retail stores.

### **Facebook to take on YouTube**

- Get ready for a fierce content war between YouTube and Facebook.
- The social networking site is in talks with some of the biggest video content producers of YouTube to test videos directly on Facebook.
- Currently, content creators use Facebook to promote their programming but prefer people to watch the videos on YouTube and other platforms where they can make money through advertisements sales easily.
- Facebook and video content producers are now discussing how advertising might be incorporated into these videos, according to The Wall Street Journal . Facebook has been involved in this video initiative for at least six months, it said.

### **Global auto makers want friendly policy**

- As India moves towards becoming a hub for production and exports for global car manufacturers, the latter said India needed to make more business-friendly policies if the country wanted foreign companies to invest here.
- Chairman of the Japan Automobile Manufacturers Association (JAMA) Fumihiko Ike, who is also the Chairman of Japan's Honda Motor Co, added another major challenge was to improve the business environment for investing into India.