

## Corporate Snapshot: INDIA

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### Starbucks' Tea Brand 'Teavana' to debut in India



Starbucks, the world's biggest coffee-chain operator, will bring its special tea brand Teavana to India this year.

In the first phase, the Teavana range of teas will be introduced at the 79 Starbucks outlets in India and the second phase will see standalone Teavana stores.

Starbucks acquired Teavana for \$620 million in 2012.

### SBI starts Wealth Management Unit, branch for start-ups



State Bank of India, the nation's top lender by assets, has launched a new Wealth Management Services unit, and branches to cater to start-ups, as competition with private sector rivals is rising and as its core business is seeing sluggish growth.

The wealth management unit and the first bank branch for start-ups will begin operations from India's technology hub Bengaluru before these are expanded to other parts of the country. SBI's foray into the wealth management business comes at a time when foreign banks are scaling down operations in the segment due to high cost of

operations and regulatory restrictions.

Two local firms, IIFL Wealth Management and Kotak Wealth Management, dominate the wealth management sector in India.

### Mahindra GenZe launches first electric scooter



Mahindra GenZe has designed GenZe 2.0, the first connected all-electric scooter, to help alleviate challenges associated with urban commuting, parking, congestion, and pollution. It has a removable lithium-ion battery that can be recharged at any standard electrical outlet, providing optimal freedom and ease of use. Its smart, utilitarian design offers ample rear storage space so people can get where they want and take their belongings with them.

It is designed with seamless IoT communication that allows continuous monitoring of over 95 vehicle parameters, including:

- ◆ Battery state of charge
- ◆ Range estimation
- ◆ Remote diagnostics
- ◆ Alerts for theft, distress and geofence triggers
- ◆ Customized navigation features.

### Dubai's Abraaj Group buys 76% stake in Care Hospitals

Dubai-based private equity firm Abraaj Group has announced that it is acquiring majority stake in Care Hospitals, one among the top five

domestic healthcare networks. The enterprise value of the deal is around Rs 2,000 crore, including debt. Abraaj will acquire over 76% stake in Quality Care India, the parent of Care, from US PE firm Advent International and some members of the senior management who are offloading shares.

Founded by Arif Naqvi, Abraaj, a prolific emerging markets investor across Asia and Africa, has identified healthcare a strong investment opportunity in India.

#### **Odisha govt clears two investment projects worth Rs 407 crore**

The Odisha government has cleared two investment proposals worth Rs 407 crore with total employment generation capacity of 452 persons.

The state level single window clearance authority (SLSWCA) headed by chief secretary A P Padhi cleared a proposal of Bharat Petroleum Corporation Limited to set up a common user facility (CUF) for storage of petroleum products at Meramunduli in Dhenkanal district with an investment of Rs 270 crore. The CUF will be used for storage of petroleum products of all oil marketing companies.

#### **Capgemini appoints iGATE's Srinivas Kandula as CEO of India operations**



Capgemini's India business, appointed former iGate HR head

Srinivas Kandula as its new chief executive officer. It has also conducted an organization-wide reshuffle and moved several top iGate executives into different management roles within the France-based technology services and consulting company.

Nearly nine months after Capgemini agreed to buy Fremont, California-based iGate for \$4 billion, the French IT giant has also restructured and merged several of iGate's verticals with its own business lines, as part of the broader integration process that is expected to be completed by the middle of 2016.

#### **Wipro bags infrastructure management contract from ASSA ABLOY**

Software major Wipro has won an IT infrastructure transformation contract from the Sweden headquartered ASSA ABLOY Group that offers door opening solutions. Under the five-year agreement, Wipro will consolidate ASSA ABLOY's existing data centers in the EMEA region and implement a cloud-based service model. The model includes IaaS (Infrastructure as a Service) and PaaS (Platform as a Service).

#### **Food companies like Hindustan Unilever; PepsiCo cut calorie counts to serve health-conscious buyers**

**Fitness Comes First**

- Hindustan Unilever has reduced the calories in ice-creams. **WUL** sells Magnum and Cornetto ice-creams in India in both mini portions as well as regular sizes now.
- PepsiCo will roll out its colas in 150 ml cans - the smallest in the domestic market.
- Rival Coca-Cola will introduce 180 ml cans across its beverages next month in addition to its 300 ml cans.
- Italian chocolate maker Ferrero is now selling its trademark premium gold round-shaped brand Ferrero Rocher in packs of three.

**₹300cr** Size of the total beverage category

**₹14,000cr-plus** Regular category

Food giants are limiting portion sizes

to reduce the number of calories they serve to increasingly health-conscious Indian consumers. PepsiCo will roll out its colas in 150ml cans - the smallest in the domestic market. Rival Coca-Cola will introduce 180ml cans across its beverages portfolio next month in addition to its 300ml.

#### **UrbanDhobi raises angel funding, to expand in 5 cities**

City-based on demand laundry service provider startup UrbanDhobi has raised angel funding from a Delhi-based private equity firm to expand its operations in five more cities.

While the five-month old laundry aggregator didn't disclose the amount, it has stated that the funds will be used to strengthen its technology, expand the business development team and build a bigger pick-up and delivery workforce.

The company is now looking for pre-series A funding as it feels the need for more capital for expansion. According to a KPMG report, the size of the laundry market is about Rs 2 lakh crore with 95% of its remaining in unorganized sector.

#### **India to invest \$1 trillion in power sector by 2030**



Power, coal and renewable energy minister Piyush Goyal has offered a \$1-trillion or approximately Rs 65 lakh crore investment for Australian companies to come and make in

India.

The figure spells out the investment estimated in India's power sector by 2030, by which time domestic manufacturing would account for 40% of power gear supplies and creation of 10 lakh jobs.

After years of doddering, India's power sector is at an inflection point where the Narendra Modi government is focusing on structural reforms with an integrated outlook for the energy sector.

#### **Dabur, Emami in bitter war over sugar in honey**

The gloves are off in the branded honey market in India as home-grown FMCG players Dabur and Emami have locked horns over what they claim are misleading ads by each other.

Emami, which sells honey under its Zandu brand, complained last month to the Advertising Standards Council of India (ASCI) against Dabur's print and TV ads that said Dabur Honey met EU standards and has been ranked the No. 1 honey in India in terms of purity and quality by Consumer Voice, a New Delhi-based NGO. Among other things, Dabur was asked to remove the word "quality" from a particular section in the ad.

While Dabur Honey enjoys a market share of about 60%, the segment has been witnessing entry of players such as Emami that has positioned its Zandu Honey on the quality plank, and Patanjali that has been pitching its honey on competitive pricing. Dabur, on the other hand, has been talking about its purity claim.

#### **Mirc Electronics to launch new TV brand for online sales**

Consumer durables maker Mirc Electronics, which sells products under Onida brand, plans to launch a range of TV panels under 'IGO' label to cater to online sales.

In order to capitalize on the growing e-commerce sales the company will be introducing their second brand 'IGO' flat panels which will be specifically designed by their R&D team. This will add 1, 00,000 high-panel TVs per annum to their top line.

There will be a CAGR of 30% over the next five years in flat panels primarily because of drastic fall in the cost of panels, therefore making it affordable to the lower segment of the market.

#### **After Maggi, UP regulator finds more noodle brands sub-standard**



The Uttar Pradesh food safety department has found samples of some other instant noodle brands "sub-standard" with ash content in the tastemaker exceeding the prescribed limits.

The noodle samples of Knorr Soupy, Horlicks Foodles and Ching's Hot Garlic Instant were collected from a city mall in May for testing and its report was received. The samples were sent to government Food Analysis Lab in Lucknow where it was found that against the prescribed limit of 1 per cent, ash content was found to be 1.83 per cent in Ching's noodles, while in Foodles it was 2.37 per cent and in Soupy noodles it was 1.89 per cent.

#### **Hitoshi Kono appointed deputy managing director of Isuzu Motors India**



Isuzu Motors India has announced a key change in its top management with effect from February 14, 2015. Hitoshi Kono, GM, Isuzu Asia Dept, Isuzu Business Division, will succeed Shigeru Wakabayashi as deputy managing director of Isuzu Motors India. Shigeru Wakabayashi will assume the role of division COO, Isuzu Business Division, Mitsubishi Corporation, Japan. The changes in the management are as per the business plans of the company.

Wakabayashi has been instrumental in driving the 'ISUZU' brand into India. The project which started in August 2012 has crossed many milestones including the launch of ISUZU D-MAX pick-up and MU-7 SUV, dealership expansion and setting up a new manufacturing plant for ISUZU in India.

#### **Vodafone launches 4G in Mumbai on 1,800 MHz**



Vodafone, country's second largest telecom operator, launched its fourth generation broadband services in Mumbai. The service was unveiled by chief minister Devendra Phadnavis, a Vodafone customer himself. The company launches its



services months after Bharti Airtel launched its 4G services across 300 towns in India.

Mumbai is a critical market for all telecom players, as it has the highest level of smartphone penetration (60%) and data accounts for 30% of Vodafone's revenues in the Mumbai circle against 20% for the rest of the country.

#### **Zandu Balm wins case against Moov**



Kolkata-based FMCG Company Emami has won a disparagement case against RB (formerly Reckitt Benckiser) in the Supreme Court over a dispute between its pain-relieving ointment Zandu Balm and RB's Moov.

RB has been finally restrained by the Supreme Court from airing the Moov ad with the frames showing Zandu Balm and the words "Jisme hai promukh balm ke mukable do guna jada active ingredients" (Balm which contains twice the number of active ingredients when compared to the prominent Balm brand).

Emami challenged the product superiority claim made by RB at the Alipore District Court in Kolkata for infringement and disparagement. RB moved the Kolkata High Court and filed an appeal against the injunction as given by the lower court.

#### **Honda to recall 58,000 cars for airbag inflators in India**

Japanese car maker Honda Motor Co has said that it would recall 57,676 vehicles, mostly the City, to replace driver-side air-bag inflators free of cost. This is a part of Honda Motor's global recall campaign on air-bag inflators. This would be the car maker's sixth recall in the Indian

market in 20 months.



The company said it would recall 49,572 units of City made between January 2012 and June 2013; 7,504 units of Jazz made between February 2012 and February 2013; and 600 units of Civic made between January 2012 and August 2012. An inflator inflates airbags in case of a major collision.

The replacement would be carried out free of cost at Honda Cars India (Japanese car maker's local unit)'s dealerships across the country in a phased manner, starting from February 20. The company will communicate with customers directly.

## **Strengths**

- ▶ Local labor costs
- ▶ Domestic market
- ▶ Business and management education
- ▶ Skilled services workforce
- ▶ Local labor skills
- ▶ Telecommunications infrastructure



## **Challenges**

- ▶ Legislative and administrative environment
- ▶ Transport and logistic infrastructure
- ▶ Corporate taxation
- ▶ Ease of doing business
- ▶ Flexibility of labor law



## Corporate Snapshot: GLOBAL

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- ♦ *China to close more than 1,000 coal mines in 2016: Energy bureau*

### Australia's booster for Adani coal project



The Australian government has stated that the Adani Group's \$16.5 billion Carmichael coal mine and port project in Queensland was important for bilateral relations with India.

They further added that this is a project which will create thousands of jobs, is worth billions of dollars in investment and importantly, will provide energy and electricity to 100 million Indians.

The project received final environmental clearance with strict conditions from the Queensland provincial government but a mining lease is still awaited.

### Iran wants payment in Euros for new and outstanding oil sales to India, others



Iran wants to recover tens of billions of dollars due to India and other buyers of its oil in euros and is billing new crude sales in euros, too, looking to reduce its dependence on the US dollar following last month's

sanctions relief.

Iran was allowed to recover some of the funds frozen under US-led sanctions in currencies other than dollars, such as the Omani Rial and UAE Dirham.

Iran has pushed for years to get euro replace the dollar as the currency for International oil trade.

### U.S. approves first factory in Cuba since 1959

The Obama administration has approved the first U.S. factory in Cuba in more than half a century, allowing a two-man company from Alabama to build a plant assembling as many as 1,000 small tractors a year for sale to private farmers in Cuba.

The \$5-million (U.S.) to \$10-million plant would be the first significant U.S. business investment on Cuban soil since Fidel Castro took power in 1959 and nationalized billions of dollars of U.S. corporate and private property. That confiscation provoked a U.S. embargo on Cuba that prohibited virtually all forms of commerce and fined non-U.S. companies millions of dollars for doing business with the island country.

### Oil falls despite Saudi-Russian output deal



Oil prices fell despite Saudi Arabia and Russia agreeing to freeze oil output at January levels if other producers follow suit.

The announcement came after

ministers from the two nations met in Doha along with their counterparts from Venezuela and Qatar.

Brent crude, which had risen more than 5% earlier, finished down 3.2% at \$32.33 a barrel, while US crude was down 2% at \$29.14.

Oil prices have sunk from their recent peak of about \$116 in June 2014.

#### **Anglo American's SA mine sinks to \$5.5bn loss**



Anglo American's Kolomela mine in South Africa has reported a pre-tax loss of \$5.5bn (£3.8bn) for 2015 as sinking commodity prices hit the mining giant.

That was more than double the loss reported in 2014 as the company took charges of \$3.8bn due to falls in commodity prices. Anglo plans to sell assets worth \$3bn to \$4bn to repay its finances.

The disposals will include Kumba Iron Ore, Africa's biggest miner of the steel-making ingredient.

Anglo's diamond mining subsidiary De Beers plans to cut 189 positions in South Africa to reduce costs as demand for gems dips.

#### **Apple to sell up to \$12bn in bonds**



Apple, the tech giant, is expected to sell up to \$12bn (£8.3bn) worth of bonds with both fixed and floating interest rates.

The bonds are expected to do well because many investors currently have cash amid general market turmoil.

Issuing bonds, which pay an interest rate to investors, is currently relatively cheap with interest rates all but non-existent.

#### **Berkshire Hathaway to Stream Annual Meeting on Yahoo**



Berkshire Hathaway, the conglomerate owned by Warren E. Buffett, has stated that it would stream its annual meeting online this year for the first time, enabling what is already the largest American shareholder gathering to reach a global audience.

The meeting on April 30 will be streamed on Yahoo Finance, a minor victory in what has been an otherwise downbeat year for the Internet Company.

The webcast may help Yahoo attract advertisers enticed by the large number of potential online viewers. At the core of the gathering is a lively question-and-answer session with Mr. Buffett and Berkshire's vice chairman, Charlie Munger that typically lasts several hours.

The webcast will begin in the morning with coverage of attendant events, like a trade fair featuring Berkshire subsidiaries.

#### **Japan December machinery orders rise in positive sign for capex**



Japan's core machinery orders rose at a slower-than-expected pace in December but companies expect orders to accelerate in January-March, an encouraging sign that industry is ready to increase spending.

Core orders, a highly volatile data series regarded as a leading indicator of capital spending, rose 4.2 percent in December, less than the median estimate for a 4.7 percent month-on-month increase.

Companies expect orders to rise by 8.6 percent in January-March, which would be faster than a 4.3 percent increase in the previous quarter, suggesting corporate Japan remains positive on the outlook for domestic demand.

#### **Apollo Global to buy security services provider ADT for \$7-billion**



Private equity firm Apollo Global Management LLC has agreed to buy electronic security company ADT Corp for \$7-billion (U.S.) to strengthen its security services business in North America.

After the transaction closes, ADT will be merged with Apollo's security services unit, Protection 1, in a deal valued at about \$15-billion.

The combined company, to be headquartered in Boca Raton in Florida, will have proforma annual revenue of more than \$4.2-billion. Protection 1 Chief Executive Timothy Whall will head the combined company.

The deal, expected to close by June, includes a "go-shop" period of 40 days, during which ADT can look for a better offer.

**International Festival for Business 2016 even bigger than expected**



More than 80 major events have been confirmed for Liverpool's second International Festival for Business this summer – exceeding the original target of 75.

Organizers say the core festival programme is now complete and that they expect in excess of 30,000 delegates to descend on the city from across the UK and around the world.

Thousands of business people in the North West are expected to visit Liverpool to take advantage of the international networking opportunities which the festival will offer.

Confirmed events include the World Broadband Alliance's Wi-Fi Global Congress 2016 (the world's leading Wi-Fi event), TedX and the ACCELERATE event.

**Environmental groups spar over Pacific trade deal's shark protections**

Two influential environmental organizations have squared off over protection for sharks in a new Pacific trade pact after the top US trade official touted the pact's environmental benefits.

The Monterey Bay Aquarium endorsed provisions in the Trans-Pacific Partnership (TPP) aimed at deterring the hunting of sharks for their fins, while the Sierra Club labeled the pact a 'shark-killing trade deal'.

**AccorHotels's 2015 profit rises despite weak results in France, Brazil**

AccorHotels, Europe's largest hotelier, has posted a 3.5 per cent rise in like-for-like operating profit last year, as restructuring and robust demand in most markets offset a slowdown in France after Islamist attacks and weakness in Brazil.

AccorHotels, undergoing a reorganization begun by Chief Executive Sebastien Bazin in 2013, said it aimed to continue to significantly improve its operational and financial performance this year despite a volatile global economy.

**VietJet Air signs \$3.04 billion deal with Pratt & Whitney**



Vietnamese budget carrier VietJet Air said that it had signed a \$3.04 billion deal with US engine maker Pratt & Whitney.

The engines will power the 63 Airbus A320neo and A321neo aircraft ordered by the carrier. The agreement is worth \$3.04 billion.

**China to ban foreign firms from online publishing**



China is to ban foreign firms from "online publishing" under new rules issued as the country increasingly seeks to minimize Western influence.

The regulations define online publishing as the provision over the Internet of books, maps, music, cartoons, computer games and "thoughtful text", as well as other content.

The regulations say any Chinese publishers cooperating with foreign firms to provide online content would need prior approval by SAPPRFT.

SAPPRFT has traditionally been a regulator of offline publications, but it has increasingly been flexing its online muscles over the past decade, and occasionally clashing with other censorship organs.

Authorities have proposed a new law to control the activities of foreign non-governmental organizations, while state media have warned of "hostile foreign forces" said to be using them to foment revolution.

**China to close more than 1,000 coal mines in 2016: Energy bureau**

China will aim to close more than 1,000 coal mines over the course of this year, with a total production capacity of 60 million tonnes, as part of its plans to tackle a price-sapping supply glut in the sector.