

## Corporate Snapshot: INDIA & GLOBAL

### ITC launches fruits and vegetable brand 'Farmland'



FMCG major ITC has launched a new brand Farmland for fresh fruits and vegetables. The new brand has debuted the market with the staple vegetable - potatoes. Total consumer spend of fruits & vegetables in India is Rs 500,000 crores from which the largest share is occupied by table potatoes at Rs 70,000 crores, said S Sivakumar, Group Head - ITC's Agri Business and Information Technology at the launch. Farmland potatoes are available in four variants: Natural Low Sugar Potatoes, Potatoes with Natural Antioxidant, Baby Potatoes and French Fry Potatoes. They will be sold at a small premium of 10-15 per cent over local prices which will vary according to market fluctuations. It will be currently available in Delhi and will gradually make a foray in all the metros in the next few months. Farmland potatoes will be sold through organized retail, e-commerce platforms and the neighborhood grocery stores.

The company plans to launch a new product category every quarter. Some of the categories it is exploring is green leafy vegetables or apples.

### DLF expects to close GIC deal by Dec; Rs 13,000 cr infusion by Feb



Realty major DLF expects the sale of its promoters' stake in its rental arm to GIC for Rs 8,900 crore to be concluded by December and infusion of proceeds into the company by February 2018, a top company official said.

DLF expects infusion of over Rs 13,000 crore into the company, including Rs 10,500 crore from promoters and another Rs 3,000 crore from institutional investors to maintain the minimum public shareholding norm.

The country's largest realty firm will use this fund to significantly reduce its debt which stands at over Rs 25,000 crore.

In late August, DLF promoters decided to sell their entire 40 per cent stake in DLF Cyber City Developers Ltd (DCCDL) for Rs 11,900 crore.

This deal included sale of 33.34 stake in the DCCDL to Singapore's sovereign wealth fund GIC for Rs 8,900 crore and a buyback of the remaining shares worth Rs 3,000 crore by DCCDL. Post this deal, DLF will have 66.66 per cent stake in DCCDL.

The company reported a 91 per cent fall in consolidated profit at Rs 17.88 crore for the quarter ended September against Rs 198.53 crore in the year-ago period.

Total income dropped 21 per cent to Rs 1,751.34 crore in the second quarter of this fiscal from Rs 2,225.66 crore in the corresponding period of the previous year.

### Larsen & Toubro beats estimates with 27 percent jump in Q2 profit



India's top engineering and construction company Larsen & Toubro Ltd reported a higher than expected 27 percent rise in second quarter net profit, helped by a one-off gain from the sale of a subsidiary.

### Ola says no surge-pricing during odd-even scheme



App-based cab aggregator Ola said that there would be no surge-pricing during the implementation of the odd-even car scheme which commenced on November 13. Favoring the introduction of the odd-even scheme, Ola said the current levels of air pollution in the national capital were "troublesome" and it was necessary to take urgent steps.

It also said that it was further slashing prices on Ola Share which would be made available starting Rs 35 to encourage adoption of shared rides.

The National Green Tribunal gave its nod for the implementation of the Delhi government's odd-even car rationing scheme for five days from November 13 to tackle high pollution level, with certain riders. A bench headed by NGT chairperson Justice Swatanter Kumar said that no one should be exempted from the scheme, except for CNG vehicles and emergency services such as ambulance and fire.

### PayPal starts payment services in India



American digital payments company PayPal announced the launch of its domestic operations in India, exactly a year after demonetisation. PayPal has been offering cross border

payments in India for close to a decade and claims to control a third of India's B2C export payments. The company will take on established players like Paytm and Amazon Pay in the Indian market.

PayPal India will offer global Indians a single account for their domestic and cross-border transactions. The company also has plans to bring in its other global services like merchant credit and forex remittances. PayPal India will offer buyer and seller protection along with six months claim window, free return shipping and its globally famous 'onetouch help' that skips login enabling a frictionless checkout to begin with, said Rohan Mahadevan, SVP PayPalAPAC.

With this, domestic consumers can use PayPal to shop online at some of the country's most popular businesses and merchants offering PayPal and will be able to process both local and global payments, getting access to PayPal's 218 million customers around the world through a single integration.

### Gold demand weakens in India post GST, says World Gold Council



The demand for gold jewellery in India has fallen by 25% year-on-year to 114.9 tonnes in the third quarter of 2017 led by introduction of Goods and Services Tax (GST) and bringing gems and jewellery industry under the umbrella of Prevention of Money Laundering Act (PMLA) in August. This was revealed by World Gold Council in its report on Gold Demand Trends.

According to the report, gold demand remained under pressure as PMLA placed administrative compliance burden on retailers and consumers alike with 'know your customer' (KYC) documentation for all jewellery transactions with a value of Rs 50,000 or above.

On the global front too, the demand weakened for gold. It slipped by 9% year on year and came to an eight-year low to 915 tonnes. In year to date it fell by 12%. Exchange-traded

fund (ETF) inflows slowed sharply in the three months ending September. However, demand for gold jewellery in mainland China recovered to 159.3 tonnes, up by 13% year-on-year after 10 consecutive quarters of decline.

"The year-on-year drop in global demand was largely attributable to India, which has been disrupted by the changing tax regime and tighter regulation around jewellery transactions," WGC said.

Meanwhile, investment demand for gold was down 28% year-on-year at 241.2 tonnes as ETF inflows slowed sharply from the spectacular 2016 levels.

### **US Supreme Court rejects Samsung's appeal of \$120 million patent loss to Apple**



The U.S. Supreme Court on Monday refused to step back into the years-long feud over patents between the world's top smartphone makers, declining to hear Samsung's (005930.KS) appeal of a lower court ruling that reinstated a jury award of about \$120 million in favor of Apple(AAPL.O).

The justices left in place a 2016 ruling by the U.S. Court of Appeals for the Federal Circuit that upheld a verdict that found South Korea's Samsung Electronics Co Ltd had infringed Apple Inc's patents on several popular features of the California-based company's iPhone. Those included slide-to-unlock, autocorrect and quick links.

### **Paytm invests another Rs 5,000 crore in payments business; integrates BHIM UPI**

India's biggest online payments company and mobile wallet, Paytm, plans to invest another Rs 5000 crore in the business over the next three years.

Founder Vijay Shekhar Sharma mentioned that Paytm has invested more than Rs 5,000 crore in mobile payments and that they will continue to be the largest investor in the country.

Paytm has also integrated the government's mobile payments interface BHIM UPI on its platform. Using BHIM UPI will widen Paytm's customer base and will increase the usability of the app.

Nevertheless, Paytm is likely to face stiff competition from Google Tez and Flipkart's PhonePe. Both these platforms have been working with UPI for a while now. Several international companies have also entered India's payments market since demonetisation last year. But Paytm has a huge advantage as it is currently used by around 200 million users, while Mobikwik has 65 million and PhonePe has 45 million users.

Paytm users will now be able to pay and receive money over BHIM UPI. It will also allow existing users of BHIM to connect their accounts with BHIM API on Paytm. New users would also be able to easily create BHIM accounts on Paytm.

Since its launch in December, BHIM UPI has been downloaded over 16 million times. This popularity can be owed to the fact that UPIs help users transfer funds from one bank to another with no additional cost and are faster than NEFT, as it does not need to wait to add a beneficiary and provide with details like IFSC codes. It is swifter than mobile wallets also as one has to transfer money to the wallet first.

### **Apple sees strong holiday sales, smooth sailing for iPhone X**



Apple Inc (AAPL.O) reported better-than-expected earnings and offered a rosy forecast for the holiday shopping season, allaying investor concerns about production delays on the new iPhone X and demonstrating remarkable strength across its growing line of products and services.

Apple shares rose 4 percent in after-hours trading to hit an all-time high, with analysts lavishing praise on Apple CEO Tim Cook and speculating on when Apple might become the first public company worth a trillion dollars.

The earnings demonstrate how Apple is able to drive growth across an ever-expanding product line that now includes five different iPhone models along with the iPad, the Mac, the Apple Watch and a suite of fast-growing services offerings.

Apple forecast fiscal first-quarter revenue of \$84 billion to \$87 billion, at the high end of analysts average expectations of \$84.18 billion, according to Thomson Reuters.

The Cupertino, California-based company's market capitalisation of about \$868 billion already makes it the world's most valuable publicly-traded company.

Apple said it sold 46.7 million iPhones in the fourth quarter ended Sept. 30, above analysts' estimates of 46.4 million, according to financial data and analytics firm FactSet. However, average selling prices of \$618 fell short of forecasts of \$638.

The company's net income rose to \$10.71 billion, or \$2.07 per share, in the quarter, from \$9.01 billion, or \$1.67 per share, a year earlier. That beat the average analyst estimate of \$1.87 per share.

Apple forecast a gross margin of 38 percent to 38.5 percent, higher than many analysts expected because new products often have higher costs.

The \$28.85 billion revenue from iPhone sales accounted for nearly 55 percent of total revenue, which rose 12.2 percent to \$52.58 billion.

### **Mukesh Ambani pips China's Hui Ka Yan to become Asia's richest man**



After being the richest Indian for over a decade, Reliance Industries Chairman Mukesh Ambani on Wednesday became the richest man in Asia, overtaking Chinese businessman Hui Ka Yan. Ambani rose to 14th rank on Forbes' Real Time list of billionaires across the globe. Forbes' Real Time list is based on the value of person's stock holding and assets on a real time basis.

According to Forbes Real Time billionaires' list, Mukesh Ambani's wealth rose by \$223 million to \$41.8 billion on the back of rise in Reliance Industries Ltd stock price, whereas the wealth of Hui Ka Yan, the Chairman of China Evergrande Group slumped by \$586 million to \$41.2 billion on November 2.

With a net worth of \$93.3 billion, Amazon founder and CEO Jeff Bezos raced past Bill Gates to become world's richest man. Microsoft co-founder Bill Gates ranked 2nd with his \$89.5 billion fortune. Facebook founder Mark Zuckerberg stood at 5th spot with a \$75.8 billion fortune.

Mukesh Ambani-led oil-to-telecom conglomerate Reliance Industries Ltd (RIL) had earlier posted a 12.5 per cent increase in consolidated net profit to Rs 8,109 crore in the September quarter of FY18, as against Rs 7,209 crore in the corresponding period of the previous year. RIL's telecom arm Reliance Jio logged a net loss of Rs 270.6 crore, beating street estimates.

Mukesh's younger brother Anil dropped to the 45th place with his net worth valued at \$3.15 billion this year from the 32nd spot in 2016.

The revenue of Reliance Industries Ltd increased by 23.9 per cent to Rs 101,169 crore (\$15.5 billion) compared to Rs 81,651 crore in the corresponding period of the previous year.

### **Bitcoin blasts to new all-time high of \$6,450**



Bitcoin climbed to a new all-time high of \$6,450 on Wednesday, boosted by bets that the crypto currency could enter the financial mainstream after the world's largest derivatives exchange operator said, it would launch bitcoin futures.

CME Group Inc said it would provide a regulated trading venue for the crypto currency market and would launch the new derivatives in the fourth quarter of 2017. Bitcoin has had a bumper year with a more than six fold increase in price, and has more than doubled in price since mid-September alone.

It was up 0.3 percent on Wednesday on the Luxembourg-based Bitstamp exchange.

**Mergers and acquisitions decline 63.4 per cent in Q3, 2017**

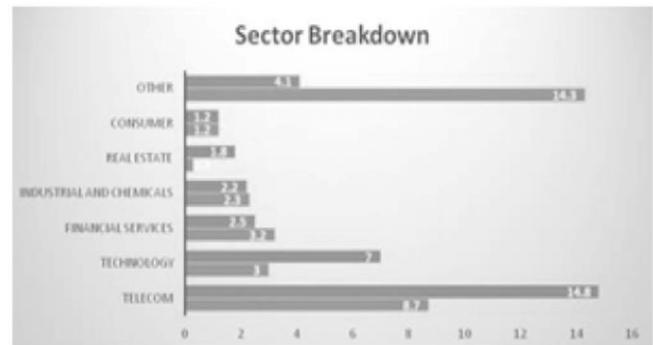


The third quarter of 2017 experienced a slowdown in Indian M&As with the deal value declining by 63.4 per cent to \$ 6.8 billion in Q3 compared to S\$ 18.5 billion in the corresponding period last year. The number of deals targeting India (54) was the lowest since 2009. It is also half the number in Q3 2016 (117 deals). A report by Mergermarket, an Acuris Company blames country's falling GDP growth, slowing to a three-year low of 5.7 per cent, for the slide in the M&A market. The deal count in all sectors had declined compared to last year. In telecommunications and agriculture it remained the same.



**Telecom remained most active**

Although there was no deal in telecommunications this quarter, it was still the most active sector in the year by deal value because of the contribution of two large deals, both valued at over \$1 bn in the first half of 2017. Aircel Limited's \$4.8 bn merger with Reliance Communications Limited (RCOM) lapsed on October 1 and as a result the deal value of the sector in 2016 dropped to \$ 8.7bn from \$ 13.6bn. Therefore, the sector saw a 70 per cent increase to \$ 14.8bn in 2017 over the same period of 2016, with four deals in both years.



**Private Equity**

Going by the report data, while Indian M&A activities appear to be slowing in 2017, private equity buyouts saw 66 deals worth US\$ 7.4bn in total, recording the highest deal value since 2001. In Q3 alone, 14 buyouts totalling \$ 2.2bn were done in India. This was more than double the value in the same period of 2016 (\$ 1.04bn), despite the deal count dropping.

Real estate was the most targeted sector by value with 4 deals valued at \$ 1.8bn in YTD (year to date) 2017, largely due to the Singapore sovereign wealth fund GIC Private Limited's \$ 1.34bn acquisition of a 33.34 per cent stake in commercial properties developer DLF Cyber City Developers in August. Nonetheless, according to the report, such a trend is not likely to continue in the next quarter considering the economic slowdown in India. The financial services sector continued to be an attractive sector to PE firms, with 15 deals worth US\$ 1.4bn during the January-September period. It saw an increase of 17 per cent by value compared to YTD 2016 with same number of deals (15 deals, \$ 1.2bn).



Goldman Sachs topped India Financial Advisor League Table by value of \$ 16.9bn across 5 deals. Ernst & Young has finished first by deal count working on 22 deals worth a total US\$ 3.4bn. The firm is the only financial advisor to work on more than 10 deals in 2017.

**\$1.23 billion raised so far by battery storage, smart grid & efficiency companies in 2017**



In the first nine months of 2017, \$1.23 billion was raised by battery storage, smart grid and efficiency companies, up from \$910 million raised in 9M 2016. Mercom Capital Group, a global clean energy communications and consulting firm, has released its latest quarterly report on funding and merger and acquisition (M&A) activity for the sectors during the third quarter and first nine months of 2017.

In Q3 2017, VC funding for battery storage companies dropped to \$83 million in seven deals compared to \$422 million raised in 10 deals during Q2 2017. A year earlier, \$30 million was raised in nine deals in Q3 2016. In 9M 2017, \$563 million was raised in 25 deals compared to \$209 million raised in 29 deals in 9M 2016, the report added.

The top VC funded battery storage companies in Q3 2017 were: Advanced Microgrid Solutions, which raised \$34 million from Energy Impact Partners; Southern Company; DBL Partners; GE Ventures; AGL Energy; Macquarie Capital and former California Governor Arnold Schwarzenegger; Romeo Power, which raised \$30 million; and Gridtential Energy, which secured \$11 million from 1955 Capital; East Penn Manufacturing; Crown Battery Manufacturing; Leoch International; Power-Sonic; The Roda Group, and the company's chairman, Ray Kubis.

**How Mukesh Ambani-led Reliance Jio drove Anil Ambani's RCom out of 2G business**



Anil Ambani-led Reliance Communications has decided to shut down its 2G mobile phone operations as the business is no longer viable due to the price war unleashed by elder brother Mukesh Ambani's Reliance Jio which is offering free voice calls and dirtcheap data. The younger sibling had inherited the telecom business of the Reliance group following the division of the family empire between the two brothers. However, with the non-compete clause in the agreement coming to an end, elder brother Mukesh has made a dramatic entry into the telecom sector and shaken up older players with his disruptive pricing.

RCom will be giving its 2G-based customers the option to switch to 3G or 4G based technology and has asked most of its employees to exit the company by November 30. The debt-ridden company will continue to operate 3G and 4G services till the time they remain profitable, industry sources said. A company official said 60 per cent of RCom customers, who are using 2G-based technology can switch to the RCom's higher technology or else port to another operator.

Reliance Communications is also shutting down its direct to home television services from next month after it failed to find any buyer for the business.

The company will "continue to operate ILD voice, consumer voice and 4G dongle post paid services" and mobile tower business till the time they remain profitable and all the other business will be shut down.

In a major setback for Anil Ambani, Reliance Communications had been forced to call off the move for a merger with Aircel blaming "legal and regulatory uncertainties, and various interventions by vested interests for having caused inordinate delays in receipt of relevant approvals for the proposed transaction." "Unprecedented competitive intensity in the Indian telecom sector, together with fresh policy directives adversely impacting bank financing for this sector, have also seriously affected industry dynamics," RCom had also said.

**Nandan Nilekani-headed Infosys board gives Vishal Sikka a clean chit in \$200 million Panaya deal, disappoints NR Murthy**



The Infosys board headed by chairman Nandan Nilekani gave a clean chit to the controversial USD 200 million Panaya acquisition, saying there was no merit in the allegations of wrongdoing. Infosys had acquired Israel-based software firm Panaya under former Infosys chief Vishal Sikka.

Giving a detailed outline of the review undertaken on Panaya issue, Nilekani said: "In light of my review of these matters, I am fully persuaded, as is the entire Board, that the conclusions of the independent investigations are correct." Infosys founder NR Narayana Murthy had demanded that the full report by Gibson, Dunn and Crutcher on whistleblower allegations pertaining to the Panaya deal, be made public. Nilekani rejected the demand for publishing the full investigation report, saying could impair cooperation.

Emphasizing that confidentiality was key to ensuring the cooperation of whistleblowers and other participants in any investigative process, the company cautioned that the precedent of releasing the full investigation reports could impair the cooperation of participants in case the need arises in future.

Hours after the Infosys board cleared Vishal Sikka of any wrongdoing in Panaya deal and severance pay, Infosys founder N R Murthy said he was disappointed with core questions still unanswered. He asked how and why Infosys board approved an unusual and unprecedented severance payment agreement of 1000 per cent to former CFO Rajiv Bansal.

Infosys reported its second quarter financial results. The company's net profit grew 3.32 per cent to Rs. 3,726 crore during the second quarter of 2017-18, while revenues grew nearly 1.5 per cent. This was Infosys' first earnings announcement after Nilekani took over the reins of Infosys after the ouster Vishal Sikka as CEO amid a bitter war of words between the management and the founders.

### **HSBC appoints Jayant Rikhye as CEO for India operations, will replace Stuart Milne**



The Hongkong and Shanghai Banking Corporation (HSBC) has appointed Jayant Rikhye as the new Chief Executive Officer for India operations, replacing Stuart Milne.

Rikhye, who joined the HSBC in 1989, will begin his tenure on December 1. He is currently the head of international markets, Asia Pacific. Naina Lal Kidwai was the last Indian CEO for HSBC's India operations. She finished her term in 2009.

"Rikhye will lead HSBC's next phase of growth in the country, where he first joined the group in 1989," HSBC said in a press release. In his long career at the HSBC, Rikhye has worked across many divisions, including corporate banking, institutional fund services and securities services. He has held jobs in Taiwan, Middle East and North Africa, United Arab Emirates.

Meanwhile, Milne has decided to take a three-month sabbatical starting January 2018. His next role at HSBC will be announced later, the bank said.

At the appointment of Rikhye, the bank said India has been the second largest workforce for it globally. The country has also been supporting the HSBC group's "ten point strategic agenda" outlined in 2015, becoming one of the top contributors to group profits, it added.

HSBC is focused on promoting digital technology in India and the next phase of growth will come from greater digital synergy and cross-border activity, the bank further stated.