

CORPORATE SNAPSHOT-WORLD

March 2014

Wall Street drops on Russia worry as techs, materials drag

U.S. stocks fell on Wednesday, led by losses in the technology and materials sectors, as geopolitical concerns rose after the United States and the European Union agreed to work together on tougher sanctions on Russia. Trading remained choppy with U.S. stocks mostly positive in the morning after U.S. economic data pointed to improving conditions. But the major indexes reversed course in the afternoon as technology stocks turned sharply lower.

Among technology stocks, Facebook was one of the biggest decliners a day after the social networking company said it would acquire two-year-old Oculus VR Inc, a maker of virtual-reality glasses for gaming, for \$2 billion. Facebook shares ended down 6.9 percent at \$60.39.

The United States and the European Union agreed to work together to prepare possible tougher economic sanctions in response to Russia's behavior in Ukraine. The sanctions could possibly include the energy sector.

GM Down 14% Shows Barra Challenges From Recalls to China

General Motors Co. chief executive officer, Mary Barra has more than recalls to worry about. GM shares are down almost 14 percent since Barra took the helm Jan. 15 through yesterday, while the Standard & Poor's 500 Index has risen. Microsoft Corp., which also named a new CEO around the same time, has climbed about 13 percent. Within weeks of taking the helm, Barra, 52, began recalling 1.6 million small cars with faulty ignition switches tied to 12 deaths. Her challenges also include stemming losses in Europe, navigating currency fluctuations in South America, buffering Volkswagen AG's advances in China, and managing a slow start to 2014 sales in the U.S. where a bitterly cold winter hamstrung retail activity.

Luxury Brands Are Targeting Global Yummies: Young Urban Males

Luxury fashion may be switching gender and age roles. In much of the world now, the most attractive demographic for such companies as Burberry and Coach isn't middle-aged women with sky-high credit limits; it's twentysomething men

with smartphones and self-esteem issues. At least that's the theory put forth recently by a three researchers at HSBC. The future of retail is in young, urban males—or as HSBC dubs them, “Yummies” (a handy verbal shortcut if one can say it without gagging). “The metro-sexual, that cliché from 20 years ago, is now becoming a commercial reality,” the HSBC team writes. The report points to a handful of luxury companies making significant investments in luring male shoppers. Michael Kors, for example, is hoping to grow its annual menswear revenue to \$1 billion, which would amount to almost a sevenfold increase. Coach, meanwhile, is close to that goal, having expanded its sales to men from \$100 million in 2010 to about \$700 million today.

Sony to book \$49 million profit from Tokyo property sale

Sony Corp said on Thursday that it would book about a 5 billion yen (\$48.9 million) profit in the next fiscal quarter on the sale of Tokyo property, its second disposal announced this month as it sheds assets under a turnaround plan.

The gain will be posted as operating profit for the first quarter of the business year that begins on April 1, Sony said. Sony has been selling off assets and restructuring loss-making divisions, including its TV operations, as it tries to restore its struggling consumer electronics business to profitability. The consumer electronics company announced on March 7 the disposal of a Tokyo property for 16.1 billion yen and that it would book a 10 billion yen operating profit from the sales in the next fiscal quarter.

Microsoft Boss Relaxes Windows-First Policy

New Version of Office for iPad Ends Practice of Using Apps to Drive Operating Software Sales Microsoft Corp.'s new boss on Thursday will have his first shot at outlining a new, less Windows-dependent path for the company. But those who are the most likely customers for the shift won't be easily won over. Chief Executive Satya Nadella, at an event in San Francisco, is expected to disclose a new version of Microsoft's popular Office software for the iPad.

Facebook takes page out of Google playbook with Oculus deal

The social networking company's \$2 billion acquisition of Oculus VR, a maker of virtual reality goggles, took Wall Street and technology observers by surprise, not least because of the hefty price for a company with no real revenue and untested technology.

But Facebook's desire to bet on "the platforms of tomorrow," as Chief Executive Mark Zuckerberg described the deal on Tuesday, also marks a broadening of ambition for a company that has until now focused mainly on bolstering its existing service or defending its turf from immediate threats. It's a strategy more often associated with Facebook's arch-rival Google Inc which has established a track record of making early bets on the next big thing. Google acquired the Android software that now powers three out of four smartphones in 2005 when PCs were dominant, and Google currently has projects under way involving self-driving cars and robots.

Chinese airlines caught in forex crosswinds as Beijing eases grip on yuan

Chinese airlines, already grappling with half-empty premier cabins due to Beijing's austerity drive, will be tested next in their ability to hedge against currency risks as China looks set to allow greater two-way swings in the yuan.

The Yuan has gained some 30 percent against the dollar since 2005 as China slowly loosens its grip on the currency. In recent weeks, however, Beijing allowed the Yuan to slide sharply to punish speculators, adding more volatility in the market.

With the end of the Yuan's consistent appreciation against the dollar, carriers including Air China Ltd, China Southern Airlines Co Ltd and China Eastern Airlines Corp Ltd will be challenged on two fronts - operating costs and foreign currency-denominated debts.

RBS to resubmit U.S. capital plans after Fed objections

(Reuters) - Royal Bank of Scotland said it would resubmit the capital plans for its U.S. business Citizens after it was one of three foreign banks who had plans rejected by the U.S. Federal Reserve. The Fed blocked the capital plans of five banks on Wednesday, including the U.S. arms of RBS, HSBC and Santander which it said was due to weaknesses in their capital planning processes. The Fed said the three foreign banks were all new to its process and HSBC and RBS had "significant

deficiencies" in their capital planning processes.

Ikea Targets Urban Youth with PS 2014 Design Collection

Ikea, which became the world's largest furniture retailer with reliable storage systems and flat-pack couches, has focused its latest temporary collection with products targeted at urbanites to boost its design appeal.

With PS 2014 -- the PS stands for Post Scriptum -- the company will sell 51 items from April 1, including a miniature greenhouse and a bench that doubles as a portable playground aimed at the increasing number of city dwellers living in small spaces. Prices range from \$4.99 for an organizing wall rail to \$189 for a desk that the retailer showed off today in the gym of an old school about to be turned into apartments.

Twitter, Pernod Ricard, CafePress: Intellectual Property

Twitter Inc., the micro blogging service that held an initial public offering last year, paid \$36 million to acquire 900 patents from International Business Machines Corp. (IBM), according to a filing. The agreement, signed in December and announced in January without financial details, resolved a dispute that prompted IBM to write to Twitter about possible infringement of at least three patents.

Twitter now has 956 patents and about 100 filed patent applications in the U.S., it said in a March 6 filing with the U.S. Securities and Exchange Commission. Before its November IPO, Twitter held only nine patents, making it a target for intellectual-property disputes. The deal with IBM was Twitter's first for patent technology, not counting intellectual property gained by buying other companies. IBM has been granted the most U.S. patents of any company for 21 straight years.

Panasonic Aims for Record Revenue in 5 Years

Tech Giant to Further Expand Auto, Housing Businesses TOKYO--Panasonic Corp. said it will aim for record revenue of about ¥10 trillion (\$98 billion) in five years by further expanding its auto and housing businesses, moving beyond a restructuring phase marked by a shift out of loss-making consumer electronics. That would surpass revenue of ¥9.1 trillion booked in the year through March 2007. Under the leadership of chief executive Kazuhiro Tsuga.

BofA, Ex-CEO Lewis Settle Crisis-Era Suits

Bank of America Corp. and former Chief Executive Kenneth Lewis took big steps to put the financial crisis behind them by

paying state and federal agencies to settle lawsuits over the acquisitions of Countrywide Financial Corp. and Merrill Lynch & Co.

The Charlotte, N.C., lender said Wednesday that it would pay \$9.5 billion to settle mortgage claims with Fannie Mae, Freddie Mac and their federal regulator.

CEO Pay Rising but Not for All

Investor Activism Puts a Lid on Growth in Compensation; At 50 Big Companies, Median Increase Was 4.1% in 2013 CEOs are still making plenty of money. But a wave of investor activism is helping keep a lid on growth in pay. Compensation for corporate chiefs increased only slightly in 2013, and pay packages remained closely tied to a company's performance or the fate of its stock.

Samsung Galaxy S5 rollout moved forward in South Korea

South Korea's three mobile carriers have brought forward the launch of Samsung Electronics Co Ltd's flagship Galaxy S5 smartphone to Thursday, in a bid to cushion the blow from a sales suspension slapped on the operators.

Regulators have banned SK Telecom Co Ltd, KT Corp and LG UPlus Corp from signing up new customers or replacing phones for some existing customers for various periods totaling 45 days between March 13 and May 19. The bans coincide with the planned global launch of Galaxy S5 on April 11, and sparked concerns that the key model could get off to a slow start in its home market.

ICBC Posts Weakest Profit Growth since Listing

While its net profit was better than expected. Industrial & Commercial Bank of China Ltd., the country's largest lender by assets, reported its weakest profit rise since its listing in 2006, hit by financial reforms that cut into its growth in interest income and narrowed its net interest margin.

U.S. Retailers Spent the Past Year Rushing Into Russia

Tiffany & Co. invaded Moscow nearly 10 months ago. The luxury jeweler set up a beachhead of bling on June 4, 2013, promising millions of potential customer's dreamy diamonds—or at least a nice window view for an Audrey Hepburn-style doughnut breakfast. Now the 4,500 square-foot store is caught in an economic war zone as sanctions squeeze Russian payment pipelines and a rapidly escalating standoff with Western powers cripples the ruble.

Tiffany is just one of many U.S. retailers that recently bet big on Russia—both on its consumers and the stability of its markets. Over the past year, companies that belong to the Standard & Poor's 500-stock index crowded about Russia at least 350 times during conference calls to discuss financial results, according to a Bloomberg analysis of transcripts. Russians have been driving demand for Apple iPhones, McDonald's burgers, Estee Lauder makeup, Fossil watches, and Beam bourbon, among other hot products.

Madoff Fraud Distributions Will Soon Pass \$6 Billion

More than five years have passed since Irving Picard was first appointed trustee to oversee the liquidation of Bernard L. Madoff Investment Securities. The New York bankruptcy lawyer and his team have already recovered or entered into agreements to recover nearly \$9.795 billion of the approximately \$20 billion defrauded from Madoff's investment customers.

This week the trustee's office announced that a fourth distribution will pay out another \$349 million to the Ponzi scheme victims, bringing total payments to more than \$6 billion (more than 46 percent of claimants' losses). "Our commitment is simple: to recover the maximum amount of funds stolen in the Madoff Ponzi scheme and to distribute these funds to their rightful owners as quickly as possible," Picard said in a statement.

Three New Details from Target's Credit Card Breach

Appearing before the Senate Commerce Committee on Wednesday, Target's chief financial officer, John Mulligan, provided few groundbreaking revelations about the data breach that has affected tens of millions of Americans, citing the ongoing nature of its investigation. But Mulligan's measured testimony helps illuminate three details about the hack that pilfered credit card data and personal records from the retailer's computer systems.

The amount of fraud on compromised cards has been less than expected so far. Target can detect levels of fraud on its branded payment cards, which account for only 15 percent of the compromised cards in its data breach, according to Mulligan. Of the retailer's various types of proprietary payment cards, only the Target-branded credit card has seen an uptick in fraud, he said—a 0.1 percent incremental increase.

CORPORATE SNAPSHOT-INDIA

March 2014

Infosys shares jump 5 per cent post Q4 results

The scrip of the country's second largest software services firm opened the day on a positive note and further gained four per cent to Rs 3,371.80 at the BSE. At the NSE, the scrip surged 4.72 per cent to Rs 3,388. Infosys on Tuesday reported 25 per cent jump in net profit at Rs 2,992 crore for the quarter ended March 31, 2014, as compared to Rs 2,394 crore in the same period last fiscal. The company's revenue for the reported quarter was up 23.2 per cent to Rs 12,875 crore from Rs 10,454 crore in the year-ago period. The Bangalore-based firm, which is on a revival path following the return of its co-founder N R Narayana Murthy at the helm of affairs, has forecast a conservative outlook of 7 to 9 per cent revenue growth in dollar terms for the financial year 2014-15. Infosys has guided a revenue growth of 7-9 per cent (in dollar terms) next year and remains firmly focused on building the growth momentum by making all the necessary investments in its business, he added. Meanwhile, buying was also seen at other IT counters, where TCS was trading 1.49 per cent higher, Wipro rose by 1.17 per cent and HCL Tech was up 0.98 per cent.

Tata Motors drops after weak global wholesales in March 2014

Tata Motors lost 2.19% to Rs 414 at 10:39 IST on BSE after the company reported fall in global wholesales in March 2014 over March 2013.

The sales figures were announced after market hours on Friday, 11 April 2014. The stock market was shut on Monday, 14 April 2014, on account of Dr. Baba Saheb Ambedkar Jayanti.

Meanwhile, the BSE Sensex was down 149.69 points, or 0.66%, to 22,479.27

On BSE, so far 1.02 lakh shares were traded in the counter, compared with an average volume of 5.68 lakh shares in the past one quarter.

The stock hit a high of Rs 428.75 and a low of Rs 411.30 so far during the day. The stock hit a record high of Rs 437.70 on Friday, 11 April 2014. The stock hit a 52-week low of Rs 263.10 on 27 June 2013. The stock had outperformed the market over the past one month till 11 April 2014, rising 6.32% compared

with the Sensex's 3.68% rise. The scrip also outperformed the market in past one quarter, surging 14.97% as against Sensex's 9.01% rise.

Hindustan Unilever net profit rises 10.79% in the March 2014 quarter

Net profit of Hindustan Unilever rose 10.79% to Rs 872.13 crore in the quarter ended March 2014 as against Rs 787.20 crore during the previous quarter ended March 2013. Sales rose 8.93% to Rs 6935.82 crore in the quarter ended March 2014 as against Rs 6367.14 crore during the previous quarter ended March 2013. For the full year, net profit rose 1.87% to Rs 3867.49 crore in the year ended March 2014 as against Rs 3796.67 crore during the previous year ended March 2013. Sales rose 8.74% to Rs 27408.29 crore in the year ended March 2014 as against Rs 25206.38 crore during the previous year ended March 2013.

India Tourism Development Corporation net profit declines 1.31% in the March 2014 quarter

Net profit of India Tourism Development Corporation declined 1.31% to Rs 4.53 crore in the quarter ended March 2014 as against Rs 4.59 crore during the previous quarter ended March 2013. Sales rose 12.17% to Rs 117.72 crore in the quarter ended March 2014 as against Rs 104.95 crore during the previous quarter ended March 2013.

For the full year, net profit rose 197.00% to Rs 8.91 crore in the year ended March 2014 as against Rs 3.00 crore during the previous year ended March 2013. Sales rose 5.84% to Rs 433.99 crore in the year ended March 2014 as against Rs 410.03 crore during the previous year ended March 2013.

EPFO panel meet on Friday to grant tax exemption to PF trusts

In a bid to protect tax benefits for subscribers of about 180 private provident fund trusts, retirement fund body EPFO has called a meeting of an empowered committee on Friday to grant them regular tax exemption.

The meeting has been called as the Finance Minister P

Chidambaram did not extend a March 31 deadline for the trusts to get regular tax exemption through the Employees' Provident Fund Organisation (EPFO).

Chidambaram made it mandatory in 2006 for these trusts to procure an exemption certificate by March 31, 2007, a deadline that has been extended and is now set to expire on March 31.

I-T offices to remain open on weekends and Ugadi, Gudipadva

To facilitate last minute filing of income tax returns by taxpayers, the CBDT has ordered that all I-T offices across the country will remain open on March 29, 30 and 31st.

The Central Board of Direct Taxes (CBDT) has asked all Chief Commissioners of Income Tax across the country to make special arrangements and keep open the I-T offices and receipt counters on March 29 (Saturday), March 30 (Sunday) and 31st (Monday) for the normal duration of office hours.

The latest CBDT directive also said that in view of some parts of the country celebrating 'Gudi Padva' and 'Ugadi' on March 31, the offices would be open to receive I-T returns and other taxpayer related services.

The measures have been taken by the apex policy making body of the Income Tax department keeping in view the aim of

collecting as much revenue as possible before the current financial year closes on March 31.

The direct tax collection target this fiscal is Rs 6.36 lakh crore and till March 22, Rs 5.82 lakh crore has been collected.

Over 50,000 crore revenue still to come; CBDT cancels all leave

The Central Board of Direct Taxes (CBDT) has cancelled leave of all officials on tax collection duty and ordered 24X7 functioning of its offices till March 31 in order to collect the remaining revenue of over Rs 50,000 crore before the end of the current financial year.

The Direct Taxes target for the current fiscal is Rs 6.36 lakh crore.

According to official data, as of March 20, the I-T department needs to further achieve a net collection of Rs 50,204 crore before the current fiscal closes this month end.

CBDT, during a recent meeting with all the I-T Chief Commissioners and Directors General in the country, ordered that all "assessing officers and Additional Commissioners, Commissioners and Chief Commissioners involved in assessment work and collection of taxes shall not leave their headquarters till March 31".