

Corporate Snapshot: INDIA & GLOBAL

Paytm Payments Bank invests Rs 3,000 crore to set up 1 lakh banking points, over 3 years



Paytm Payments Bank announced that it will invest Rs 3,000 crore to create a network of 1 lakh consumer banking touch points called Paytm Ka ATMs over the next three years. "The Paytm ka ATM banking outlet is our step towards ensuring every Indian has access to banking facilities. This will enable our customers to visit their trusted neighborhood outlet to open their bank account, deposit and withdraw cash, in addition to getting their Aadhaar linked," said Renu Satti, MD at Paytm Payments Bank, in a company statement.

"We believe this hyper-local model of banking will play a crucial role in enabling hundreds of millions of under-served and un-served customers to gain access to quality banking services," added Satti. According to a recent Assocham-EY report, over 19% of our population remains unbanked.

The payments bank reportedly already has 3,000 Paytm ka ATMs serving as cash-in and cash-out points in select cities.

Paytm Payments Bank is a part of the new bank model visualised by the Reserve Bank of India back in 2013-14. It was registered last year but formally launched operations just last week. Earlier in the year, three other payments banks (PBs) already started operations-Airtel Payments Bank, Fino Payments Bank and India Post Payments Bank-and a fifth one, Jio Payments Bank, is expected to launch soon.

Infosys files settlement plea with Sebi on ex-CFO Rajiv Bansal's Rs 17.38 crore severance pay



India's second largest software provider Infosys said that it has sought a settlement with SEBI over an alleged disclosure lapses on the severance package paid to its former CFO Rajiv Bansal. In a regulatory filing to the BSE, Infosys said: "The settlement application process is based on an undertaking that the applicant will neither admit nor deny the finding of fact or conclusion of law."

It was alleged that the IT firm did not seek the prior approval of the nomination and remuneration committee and disclosures relating to Rs 17.38 payout to Bansal. The company said that it wants to resolve the allegations around it. Infosys' application also relates to disclosures pertaining to the severance agreement, cessation of payments and initiation of arbitration under the severance pact.

Infosys had agreed to pay Bansal a severance package of Rs 17.38 crore or 24 months of salary, but the company suspended payments after he got Rs 5 crore as co-founder NR Narayana Murthy and former board member Mohandas Pai objected to the move and termed it 'excessive'. While Murthy called it a 'hush money', Mohandas Pai asked the Infosys board to explain severance pay in detail.

Samsung Group to recruit 1,000 engineering graduates from India for research in artificial intelligence, 5G



Samsung India plans to hire 1,000 graduates from top engineering colleges across the country in 2018 with over 300 of them coming in from various IITs.

A majority of these engineers are expected to be hired for new-age domains like artificial intelligence (AI), Internet of Things (IoT), machine learning (ML), biometrics, natural language processing, augmented reality and networks including 5G.

Apart from IITs, Samsung will also be hiring talent from premier institutes like Delhi College of Engineering, BITS Pilani, Manipal Institute of Technology and IIITs among others.

Last year, the Korean company had hired 800 engineers for its R&D facilities, out of which 300 were from IITs.

Samsung has three R&D centres in India at Bengaluru (largest outside Korea), Noida and Delhi. Globally, it has a total of 32 R&D centres.

While the Bengaluru centre has expertise in areas like AI, ML and IoT, the Noida facility plays key role in development of biometrics, mobile software development, multimedia and data security.

The Delhi centre works primarily on research related to high-end televisions, other consumer electronics products as well as Samsung's operating system, Tizen.

To topple Flipkart from top spot, Amazon India logs 67% sales volume growth in September



Inching closer to topple off its bigger e-commerce rival Flipkart in terms of gross sales, Amazon India said its gross sales volume rose 67 per cent in the September quarter. Amazon India also claimed it grew much faster than Flipkart in April-September with gross merchandise sales (GMS) jumping 66 per cent in six months.

The India unit of Seattle-based e-commerce giant reported an increase of 72 per cent in Gross sales by value during the quarter.

Amazon India's sales growth for the six-month period has reportedly outdone the sales growth at Flipkart when one compares the numbers recently released by Naspers, an investors in Flipkart. Naspers had estimated the growth of Flipkart's gross sales during the said period at 43 per cent.

Amazon India's claim of growing faster than domestic challenger Flipkart does not take into account Flipkart's acquisitions like Myntra and Jabong.

In a bid to fend off India's homegrown e-commerce major Flipkart, Jeff Bezos-led Amazon invested Rs 2,900 crore in its India operations in November. The fresh investment is part of Amazon's commitment to put in \$5 billion into the Indian market. With this recent investment, Amazon has

invested \$2.6 billion or Rs 17,840 crore in the current financial year itself, according to regulatory filings with Registrar of Companies.

China's top two banks won't lend to Adani's Australian coal mine



China's two biggest banks said they do not plan to finance a controversial Australian coal mine, in the latest blow to Indian conglomerate Adani Enterprises' long delayed project.

Industrial and Commercial Bank of China (ICBC) and China Construction Bank said in separate statements they were not working on the project, after media recently reported that Chinese banks may get involved.

Adani is seeking A\$2 billion (\$1.5 billion) in financing by March 2018 for the A\$4 billion first stage of its proposed Carmichael coal mine in the state of Queensland, a project that has been shrunk from a \$16.5 billion plan to make it more viable.

Australian and overseas banks have balked at granting loans for the project, which environmentalists oppose due to climate change and the potential for damage to the Great Barrier Reef.

Adani was in talks with China Machinery Engineering Corp (CMEC) for a loan, which could have involved China Construction Bank or China Export Import Bank.

Salil Parekh right choice for top job at Infosys, say IT experts



Salil S Parekh's experience in handling multi-cultural work environment combined with his strong grip on technology and sales make him the perfect choice for leading Infosys, say IT industry experts. Parekh was named as the CEO and Managing Director of Infosys and is taking charge at the helm of India's second largest IT firm on January 2, 2018 for a period of five years.

Infosys, for the second time, has chosen an external candidate to lead its operations after former CEO Vishal Sikka quit abruptly in August following a prolonged standoff with promoters on allegations of corporate governance lapses and hefty severance packages of former executives.

The three key challenges for Parekh will be to invest in digital technologies and acquisitions, build and provide an aggressive sales leadership, and sustain a global culture at Infosys.

Parekh's appointment also received thumbs up from Infosys co-founder NR Narayana Murthy, who had been vocal in his criticism of Sikka and the previous management of Infosys.

Parekh, 53, is described as a soft-spoken yet determined man by those who know him. He was chosen from over two dozen candidates in a search that lasted about three months and covered a wide canvas of names within Infosys as well as alumni and external aspirants.

Parekh had joined Capgemini in 2000 after the consulting division of Ernst and Young was acquired by the French IT services company.

He played a pivotal role in building Capgemini's operations in India and then, in Capgemini's acquisition of iGate in 2015.

South Korean Lotte Confectionery buys Havmor Ice Cream for Rs 1,020 crore



Ankit Chona, Managing Director, Havmor Ice Cream

Lotte Confectionery is all set to buy 100 per cent stakes in Indian Havmor Ice Cream Limited (HIL) for Rs 1,020 crore.

This opens the 1.3-billion-consumers-strong Indian ice cream market for the South Korea-based Lotte.

The deal was overseen by Havmor's financial advisor KPMG, Veritas Legal, and Dhruva Tax Consultants. Following the deal, Lotte will have the resources to operate in the Indian ice cream market.

"It's a brand that we have nurtured with our team for over 73 years. But we believe that Lotte Confectionery is the right brand to take the company to the next level," HIL Chairman Pradeep Chona was quoted in a PTI report.

Havmor has been the fastest growing ice cream company across India for the past five years. Valued at a total of Rs 450 crore, the company presently operates a large parlour network across 14 states in India, and has engaged 30,000 dealers. Apart from this the company also runs a chain of ice cream cafes named Huber and Holly, 60 eateries and a chain of 20 restaurants.

While Havmor will continue to run the ice cream business on behalf of Lotte for now, it will also divert its attention to expand its other businesses.

Lotte Confectionery has a valuation of \$80 billion. It was the first Korean company to foray into India back in 2004. Since then, it has established choco-pie factories in Chennai and Delhi. Lotte's market presence in choco pie market in India reached 90 per cent last year. Apart from Choco Pie, Lotte has brands like Eclairs, Coffee Bite, Lacto King, among others on its portfolio, some of it acquired when it acquired Parry's Confectionery from Murugappa Group on its arrival in India.

Nandan Nilekani, Bill Gates announce formation of 'Co-Impact'



A group of the world's leading philanthropists, including Infosys chairman Nandan Nilekani announced formation of 'Co-Impact', a new global model for collaborative philanthropy and social change at scale.

It will invest USD 500 million in three critical areas health, education, and economic opportunity to improve the lives of un-deserved populations across the developing world, according to a statement released by Co-Impact.

The EkStep Foundation, co-founded by Rohini Nilekani and Nandan Nilekani, will serve as Co-Impact's technical partner by supporting a number of its programmes with their open knowledge and societal platform assets as well as capacity building.

Co-Impact's initial core partners are Richard Chandler, Bill and Melinda Gates, Jeff Skoll, Dr Romesh and Kathy Wadhvani, and The Rockefeller Foundation.

Co-Impact's goal is to improve the lives of millions by advancing education, improving people's health, and providing economic opportunity so that all families, no matter where they live, have a more hopeful future.

Co-Impact will make its first system change grants in the first half of 2018. Co-Impact will also seek to unlock additional participation by governments and the private sector.

Bharti Airtel signs deal with Ericsson for strategic partnership on 5G technology



Swedish telecom gear maker Ericsson today has partnered with Bharti Airtel for 5G technology for the telecom giant's India operations.

As part of the partnership with Airtel, Ericsson will work with Bharti Airtel on creating a strategic roadmap for evolution of the network to the next-gen 5G technology.

Ericsson is already a vendor to Bharti Airtel in areas like managed services and 4G.

Earlier this year, Bharti Airtel had inked a similar pact with telecom gear maker Nokia to expand their partnership to areas like 5G technology standard and management of connected devices.

Ericsson today showcased the first live 5G end-to-end demonstration here using its 5G test bed and 5G NR Radio.

According to Ericsson's estimates, 5G technology -- that will support faster data access -- will enable a USD 27.3

billion revenue potential for Indian telecom operators by 2026.

Bitcoin jumps over 900 per cent in a year, now at \$10,300



The crypto currency Bitcoin surged past the \$10,000 ceiling on major exchanges and digital currency indexes, including BitStamp, the widely-followed Luxembourg-based trading platform.

It has soared more than 900% so far this year, posting the largest gain of all asset classes. Hard to imagine now that one could have invested in Bitcoins at just 6 cents seven years ago. While growing public interest, or investor mania really, is the main reason for this exponential rise in value, the recent news about the CME Group-the world's largest futures exchange-planning to launch futures contracts for Bitcoins soon also fanned interest. Moreover, institutional demand for crypto-currencies has been steadily rising as it goes more mainstream.

Bitcoin's \$167 billion market capitalization reportedly already exceeds that of about 95% of the S&P 500 Index members. In some emerging markets, in fact, Bitcoin has hit well over the \$10,000 mark. In Zimbabwe, Bitcoin was trading at \$17,875 while in South Korean exchanges, it was already close to \$11,000, trading at \$11,734 on Korbit.

The total market capitalization of all digital coins tops \$312 billion according to CoinMarketCap, its value reportedly rising more than 1,200% in the past year.

Airbus to sell 430 planes to Indigo Partners for \$49.5 billion



Airbus announced that it will sell 430 airplanes to U.S. firm Indigo Partners for \$49.5 billion in the European firm's biggest deal ever. The announcement came at the Dubai Air Show and the deal includes 273 A320neos and 157 A321neos. The airlines that use the aircraft will include Frontier Airlines, JetSMART of Chile, Volaris of Mexico and Wizz Air of Hungary. A320neos list for \$108.4 million apiece and A321neos at \$127 million.

Indigo Partners is a Phoenix-based private equity firm. It

owns Denver-based Frontier Airlines and owns part of Mexico's Volaris. It's managed by William Franke, a pioneer of the cheap tickets and high fees airline business that has spread overseas and is growing in the United States.

Airbus' previous biggest-ever sale came in August 2015, when it sold 250 A320neos to Indian budget airline IndiGo, a deal estimated to be worth \$26 billion at list prices. IndiGo and Indigo Partners are separate firms with separate management.