

## Corporate Snapshot: INDIA & GLOBAL

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- RIL and BP to invest USD 6 Billion in KGD6
- ISB witnesses 39% jump in recruiters, average salary Rs 22 lakh
- GST profiteering may lead to cancellation of registration
- Hydraulic component maker Polyhose acquires Ashok Leyland-John Deere CE plant
- Axis plans to sell its Mswipe stake
- Commerce department unhappy with GST norms for exporters
- Hike, Yes Bank tie up for UPI payments
- India needs Rs 2-3 lakh cr investment for new airports
- L&T Shipbuilding expects to break even by 2020
- Snack Food Association demands 5% GST rate on food products
- MRP on packaged consumer products to be same from January 1
- Odisha industries decry steep electricity duty hike for CPPs
- Sony Mix, Sony ROX to launch platform to promote upcoming singers
- Niti Aayog approves Rs 18,000 cr project to increase train speeds

### Iconic American brand Jeep triggers price war in premium SUVs

The iconic American SUV brand Jeep hit the Indian roads in August with a locally made model, with an entry price of around Rs 15-16 lakh (ex-showroom Delhi). The Compass off-road (1400cc petrol engine and 2,000cc diesel) will be made at the company's plant at Ranjangaon in Pune, and will be followed up with a smaller SUV Renegade, which is likely to cost nearly Rs 10 lakh.



The new models are part of Jeep's aggressive push into high-potential markets like India, Brazil, and China. A part of Fiat-Chrysler Automobiles (FCA) group, the Jeep is set to fire fresh competition in the fast-growing SUV segment in India. The Pune plant is shared with Tata Motors, which has been Fiat's longstanding manufacturing partner in India.

### RIL and BP to invest USD 6 Billion in KGD6



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- Tata, Lockheed join hands to build F-16s
- Uber, Ola have hit speed hump, but are still seeing growth
- Short of IT workers at home, Israeli startups recruit elsewhere
- Zimbabwe secures \$478 million funding for agriculture
- Coal on the rise in China, US and India after major drop in 2016
- Walt Disney's Disneyland presentation map fetches \$708,000 at auction
- Japanese airbag maker Takata files for bankruptcy gets U.S. sponsor
- Australia backs lithium mine to spur battery push
- Unilever grills tech giants on ads, says dollars up for grabs
- China fines Russian trading firm \$100-mn for 2015 stock market crash
- Apple, Cisco want cyber security insurance discount for joint customers

Reliance Industries' has planned USD 6 billion investment to monetize gas finds in KG-D6 block.

Reliance Industries (RIL) and its partner BP Plc of the UK has announced that they are moving ahead with the investment of Rs 40,000 crore in the development of three fields in the KG-D6 block of the east coast of India. The fields are expected to produce 30-35 million cubic meters of gas a day (mmscmd) by year 2020-2022.

### ISB witnesses 39% jump in recruiters, average salary Rs 22 lakh

Indian School of Business (ISB) witnessed a 39% increases in the number of recruiters participating in the 2017 placement season. Over 400 companies-domestic and international made 1,113 offers to students of the PGP Class of 2017 with an average salary of around 22 lakh.

Besides the regular recruiters such as McKinsey & Co, BCG, Parthenon, AT Kearney, Apple, Microsoft, Citibank, Novartis, Siemens, Amazon, Cognizant, Hindustan Unilever Ltd, who were on campus, there were several new companies such as Jones Lang LaSalle, Havells, Revigo, P&G, Lending kart, Reliance Jio, Mindtree Consulting, L' Oreal, Bain & Co and Roland Berger.

### MAKING THE RIGHT CHOICE

<p><b>2017</b> placement season marked by increased demand for leadership roles from government think tanks, public and private sectors</p> <p>► Marquee brands were also present on the campus</p>	<p>► For the first time, ISB students were chosen by the AP government for the role of executive assistants to district magistrates for select districts</p>	<p>► ISB grads were also offered roles in areas of fintech, textiles, tourism and infrastructure, among others, by the AP government.</p>
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## GST profiteering may lead to cancellation of registration



The government's anti-profiteering rules have raised the prospects of cancellation of registration of an entity that takes undue advantage of Goods and Services Tax (GST) implementation and does not share the gains with consumers. Cancellation of registration is in addition to the power to levy penalty that was prescribed under the law.

## Hydraulic component maker Polyhose acquires Ashok Leyland-John Deere CE plant

Chennai-headquartered hose manufacturing company Polyhose has acquired the construction equipment manufacturing facility of Ashok Leyland and John Deere with its entire infrastructure including the 50 acre site, buildings, plant and machinery.



The proceeds from the undisclosed deal amount will be shared by Ashok Leyland and John Deere following which the JV will formally cease to exist. Ashok Leyland took a write off on its investments in the JV, it has no liabilities and the deal proceeds will be earnings for the company.

In 2009, Ashok Leyland formed a 50:50 joint venture with US-based John Deere for earth moving equipment business and the first product was launched in November 2011.

## Axis plans to sell its Mswipe stake

Axis Bank is understood to be exiting from Mswipe Technologies as part of Rs 200-crore fundraising from the mobile payments company. Mswipe is reported to have hired Avendus Capital to help it raise funds. RNT Capital Advisors, the investment fund set up by Ratan Tata and International Finance Corp, were in talks to invest in Mswipe Technologies.



The company had earlier raised funds in July 2015 as part of its series C round from investors such as US hedge fund Falcon Edge Capital, investment company Meru Capital and ride-hailing app Ola. Axis Bank was one of the early investors in Mswipe, founded by Manish Patel in 2011 and holds close to 8% stake.

Mswipe manufactures low-cost credit card swipe machines that function like a mobile device without a printer. The company had earlier acquired the point of sales division of PayU Payments.

## Commerce department unhappy with GST norms for exporters

The commerce department has flagged a series of concerns on the mechanism devised for goods and services tax (GST) and has said that it would not be

beneficial for exporters.

The revenue department has done away with the current facility of using Exim scrips, which are the instruments used to pay various levies like custom duty, excise duty and service tax by exporters.

The scrips come by way of incentives. The revenue department decided to restrict the scrips to payment of only basic customs duty and to attract Integrated Goods and Services Tax (IGST). T Scrips would lose 40-50% of the premium that they currently fetch as half of the scrips would be unutilized.



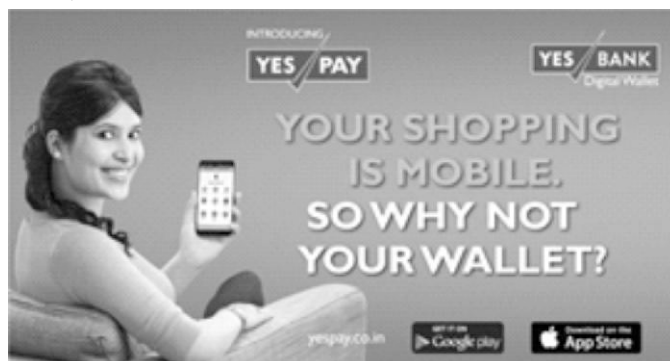
The issue has been flagged at the highest level but the revenue department has not obliged despite the fact that scrips, whose value is estimated at around Rs 25,000 crore, are only a small fraction of the overall indirect tax kitty.

### Hike, Yes Bank tie up for UPI payments

Hike, the Indian WhatsApp rival will offer payment facilities to its 10 crore users through the Unified Payments Interface (UPI) by partnering with Yes Bank.

Yes Bank has been one of the early movers on the UPI platform, partnering Flipkart's PhonePe to enable UPI payments through the latter's app. As a result, the private lender is currently responsible for close to 35% all UPI transactions in the country, and over 80%

of merchant transactions done on the UPI ecosystem.



To increase acceptance using UPI, Yes Bank is onboarding merchant and has already roped in 10,000 online and offline merchants. There have been over 20 million downloads of such merchant-partnered apps and over 5 million Yes Bank-powered Virtual Payment Addresses (VPAs).

### India needs Rs 2-3 lakh cr investment for new airports

The country will require an investment of Rs 2-3 lakh crore over the next 10-15 years for setting up new airports and adding capacity at the existing ones.



Jayant Sinha (Minister of State for Civil Aviation) said that Aviation is going to be one of the major sectors that will drive economy going forward, and some 150-200 airports are needed for 90 per cent of the population to be within 60- 90 minutes away from an aerodrome.

As many as 31 more airports have become operational in the last two years and currently the total number of airports stands at 106 from 75 aerodromes earlier.

## L&T Shipbuilding expects to break even by 2020

Larsen & Toubro Shipbuilding, which engineered the launch of Indian Navy's floating dock FDN2 has

invested as much as Rs 5,000 crore in its Katupalli facility since January 2012.

The Kattupalli shipyard cum captive port complex is currently running under accumulated losses of around Rs 2,500 crore.

# Rebooting L&T

THE HIGHLIGHTS OF COMPANY'S AMBITIOUS 5-YEAR STRATEGIC PLANS THAT BEGINS THIS YEAR:

Revenue to be scaled up to **₹2.5 lakh cr**

Market cap to be scaled up to **₹1.5 lakh cr**

**To transform** company into an asset-light organisation

**To control** working capital requirements

Businesses worth **₹10,000 cr** to be divested

Some businesses have been put **under scanner**; call on them to be taken in **18-24 months**

Identified **"growth businesses"**– IT, Technology Services, Defence, Smart World and Water Management.

**To expand overseas** in Middle East, Africa and South East Asia

To set up of a **separate Digital Group** which will ideate and implement solutions across functions

L&T Infotech and L&T Technology Services to **explore acquisitions**

**Leadership development**

**Milestones** have been quantified and will be monitored and reviewed regularly



## Snack Food Association demands 5% GST rate on food products

The Snack Food Association of Maharashtra (SFAM) has urged the government to cut GST rate to 5 per cent from the 12 per cent. The GST rate for namkeen is 12 per cent which is double than the present tax, but industry hardly receives any input credit as its

raw materials are agro based.

There is no tax on raw materials like potato, banana, maida, besan, salt, pulses etc. There is only a marginal tax on Masala. With 12 per cent GST, the effective prices of all the products would increase by at least 6 to 8 per cent.



## MRP on packaged consumer products to be same from January 1

A new amendment was notified on 23 June 2017, after which the rules will be known as the Legal Metrology (Packaged Commodities) Amendment Rules, 2017. In accordance with the new rules, which will come into effect from 1 January 2018, the price of packed goods would no longer depend on where the product is purchased, may be a mall, a five-star hotel, an airport or a local Kirana store.



### Highlights of the amendment

- **MRP:** As per the amended Legal Metrology Rules 2017, the retail sale price of any packed product will be the Maximum Retail Price (MRP) inclusive of all taxes. The rule will have the provision to round off the price to the nearest rupee or 50 paise.
- **Legal provision on MRPs:** A new legal provision has been inserted to make sure that no person is able to declare different MRPs on an identical pre-packed commodity. This provision was inserted with an aim to curb the possibility of any vendor charging differential prices for the same product.
- **Size of Display:** The new rules also talk about the size of the display on the pre-packed goods. The new norms say that the sellers will have to enhance the size of letters and numerals for making declarations about the packaged goods

clear to the consumer. The declarations include things like date, month and year for best before use among others.

## Odisha industries decry steep electricity duty hike for CPPs



Industries in Odisha have decried the steep hike of 83 per cent in electricity duty for Captive Power Plants (CPPs).

Prominent industries including NALCO, JSPL, Vedanta, HINDALCO, PPL, MCL, JSL, IMFA, Nava Bharat, Tata Steel, Tata Iron and Sponge, FACOR and MAITHAN as well as representatives of associations like CII, UCCI, Captive Power Plant Federation, FICCI and Aluminium Association of India had a consultative meeting on the recent hike in electricity duty for CPPs.

## Sony Mix, Sony ROX to launch platform to promote upcoming singers

TV channels Sony MIX and Sony ROX HD together will launch a platform to promote twelve emerging singers over the course of one year on both the channels.



In collaboration with Indian Music Lab - a new music initiative, the singers would train under experienced artists. The channels would showcase one singer every month with two of their original compositions airing on both the channels.

## Niti Aayog approves Rs 18,000 cr project to increase train speeds

The ambitious Rs 18,000 crore project of increasing train speeds on the Delhi-Mumbai and Delhi-Howrah rail corridors has got the Niti Aayog's approval.



The mega project is meant to bring about a paradigm shift in rail operations enabling trains to run at 160 km per hour on the busiest routes on the Indian railway network.

Aiming at reducing travel time between the three metropolises, the project envisages fencing off the entire 3,000 kms on both routes, upgradation of signaling system, elimination of all level crossings and installing train protection warning system (TPWS), among other works to make trains run at an increased speed of 160 kmh.

The 1,483-km long New Delhi-Mumbai rail route will also include the Baroda-Ahmedabad sector, and is estimated to cost Rs 11,189 crore.

The 1,525-km long New Delhi-Howrah route, which also includes the Kanpur-Lucknow section, is estimated to cost Rs 6,974 crore.

## Manipal Group invests in health tech startup Grow Fit

Serial entrepreneur K Ganesh-backed health tech startup Grow Fit has raised \$4.5 million in a series A funding round led by Manipal Education and Medical Group (MEMG).

The Bengaluru-based health tech startup was founded by Jyotsna Pattabiraman in 2015. Grow Fit offers customized dietary plans, packaged meals and

nutrition advice to customers by gleaned behavioral and lifestyle data to achieve desired health goals.



A WHO and World Economic Forum (WEF) report has found that the rising costs of lifestyle disease burden on working Indians had grown threefold to \$54 billion in 2015, putting the spotlight on the numbers of Indians who are at risk of contracting lifestyle diseases.

## Tata, Lockheed join hands to build F-16s

US defence giant Lockheed Martin and India's Tata group signed an agreement on to jointly build the F-16 Block 70 fighter in India, should New Delhi opt for the American aircraft in the procurement of single-engine fighters for its air force.

Highlighting the importance of this contract for the Tata group's aerospace and defence aspirations, Chairman Emeritus Ratan Tata attended the signing ceremony at the ongoing Paris Air Show in France.



The Tata group has earmarked Tata Advanced Systems Ltd (TASL) to build the F-16 in India with technology and manufacturing facilities transferred from Lockheed Martin.

## Uber, Ola have hit speed hump, but are still seeing growth

As the slugfest between Uber and its Indian counterpart Ola wanes, the growth of the country's

ride hailing market has plummeted for the first time since 2014. After both companies invested billions of dollars in growing the market for on-demand cabs, news reports citing market researcher RedSeer suggest the number of cabs affiliated to either Uber or Ola has dropped by a staggering 25 per cent in the first quarter of 2017.



### Short of IT workers at home, Israeli startups recruit elsewhere

The Israeli government's Innovation Authority forecasts a shortage of 10,000 engineers and programmers over the next decade in a market that employs 140,000 people. Israel has dropped six spots in three years to 17th in the World Economic Forum's ranking of the ease of finding skilled technology employees.



The shortage is particularly painful for Israel's 5,000 startups which compete for talent with development centres of technology giants such as Google, Intel, Microsoft and Apple. They offer big incentives that a startup cannot afford.

### Zimbabwe secures \$478 million funding for agriculture

Zimbabwe's government has signed a \$478 million agreement with an energy company and three banks to finance the 2017/18 summer farming season in a push to improve food security.



The southern African nation has since 2001 relied on imports and foreign donors to meet demand for the staple maize. Drought, lack of financing and President Robert Mugabe's seizures of land from white farmers that hit commercial agriculture have been blamed for low grain production over the years.

### Coal on the rise in China, US and India after major drop in 2016

The world's biggest coal users - China, the United States and India - have boosted coal mining in 2017, in an abrupt departure from last year's record global decline for the heavily polluting fuel and a setback to efforts to rein in climate change emissions.



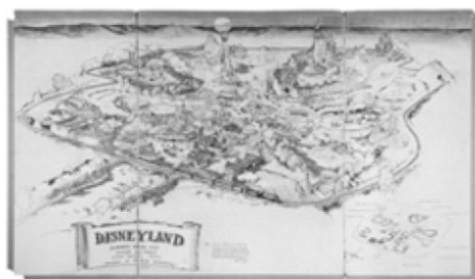


Production through May was up by at least 121 million tons, or 6 per cent, for the three countries compared to the same period last year. The change is most dramatic in the US, where coal mining rose 19 per cent in the first five months of the year, according to US Department of Energy data.

Coal's fortunes had appeared to hit a new low less than two weeks ago, when British energy company BP reported that tonnage mined worldwide fell 6.5 percent in 2016. China and the US accounted for almost all the decline, while India showed a slight increase. The reasons for this year's turnaround include policy shifts in China, changes in US energy markets and India's continued push to provide electricity to more of its poor.

### Walt Disney's Disneyland presentation map fetches \$708,000 at auction

Walt Disney's "presentation map," which the late animation entrepreneur drew in the 1950s to attract investors to the idea for his legendary theme park "Disneyland," sold for \$708,000 at an auction of Disney memorabilia.



The price set a record for a Disney map and was among the highest ever paid for a piece of Disney ephemera at auction. Still, it fell short of the predicted \$900,000.

The map was one of the highlights of some 700 lots at the "Collecting Disney" auction, held by Van Eaton Galleries in Los Angeles. The sale of items drawn mostly from private collections was expected take in

between \$2 million and \$3 million.

Disney co-founded an animation studio in 1923, which eventually grew into a feature film production studio with films such as "Snow White and the Seven Dwarfs," "Bambi" and "Cinderella." He died in 1966 aged 65.

### Japanese airbag maker Takata files for bankruptcy gets U.S. sponsor

Japan's Takata Corp, the firm at the centre of the auto industry's biggest ever product recall, filed for bankruptcy protection in the United States and Japan and would seek \$1.6 billion in aid from U.S.-based Key Safety Systems (KSS).



In one of Japan's biggest bankruptcies, Takata is facing tens of billions of dollars in costs and liabilities resulting from almost a decade of recalls and lawsuits. Its airbags have been linked to at least 17 deaths and more than 180 injuries.

Its U.S. arm filed Chapter 11 bankruptcy in Delaware with liabilities of \$10 billion to \$50 billion, while the Japanese parent filed for protection with the Tokyo District Court.

### Australia backs lithium mine to spur battery push

The Australian government will invest in a lithium mine for the first time, as part of a wide-ranging effort to shore up power stability in a market increasingly dependent on variable wind and solar power.

The government would invest about A\$20 million (\$15 million) into Pilbara Minerals Ltd's Pilgangoora project in Western Australia, which will produce lithium concentrate, a key component in electric vehicles and batteries.

### **Unilever grills tech giants on ads, says dollars up for grabs**

Consumer-goods giant Unilever would shift marketing spending to platforms that do the best job of reporting how ads are performing, a challenge to dominant players such as Alphabet's Google and Facebook.



The reach and popularity of platforms such as Google and Facebook make them attractive to marketers, with the duo taking about 90 per cent of all online advertising growth. Unilever's Weed used a keynote in Cannes to urge reform; calling for a stricter approach on how much of an ad must be viewed before the client is billed, and asking for third-party verification instead of trusting platforms like Facebook and Google to report on an ad's performance.

### **China fines Russian trading firm \$100-mn for 2015 stock market crash**

A Chinese court meted out a nearly 700 million yuan (\$102.4 million) punishment to a Russian-controlled high-frequency trading firm for futures market manipulation, drawing a line under one of the most high-profile cases of misconduct Beijing blames for contributing to the 2015 stock market crash.

The verdict by the Shanghai No 1 Intermediate People's Court, posted on its official microblog, also involves a penalty to two executives of Yishidun International Trading Co. The ruling comes at the end of a week in which index publisher MSCI agreed to include China's domestic shares in its emerging market benchmark.

### **Apple, Cisco want cyber security insurance discount for joint customers**

Apple Inc is working with Cisco Systems Inc to help businesses that primarily use gear from both companies to get a discount on cyber-security insurance premiums.



Sharing a stage with Cisco CEO Chuck Robbins at a Cisco event in Las Vegas, Cook commented that the combination of gear from the two companies was more secure than the use of competing technology, such as the Android mobile operating system made by Alphabet Inc's Google.

It will create systems that allow for continuous security monitoring and for insurers to double-check that the systems are set up as intended.

Cisco, a networking company that has increasingly moved into cyber security in recent years, highlighted several other joint efforts with Apple. It has rolled out a new security app for iPhones meant to protect against so-called phishing attacks - an email with a malicious link sent under the guise of being legitimate.