

Together

Volume – 7 No. –91 July - August 2018

Business
MERGER & ACQUISITION
(M & A)

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THIS ISSUE

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THE EDIT PAGE
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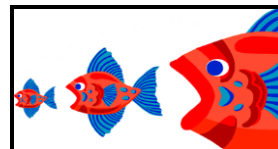
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&
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Mergers and Acquisitions as we know imply alliance of two or more companies - A merger leads to formation of a new company whereas, an acquisition leads to purchase of a company by the other with no new company formed. India in the recent past has seen great potential for Merger and Acquisition (M&A) deals. The year 2018 is all set to become a blockbuster year for mergers & acquisitions on Indian business platforms. Many Indian companies have grown very fast to gain access to new markets & many foreign companies are targeting Indian companies for their growth. The volume of M&A deals has been trending upwards particularly in the fields of pharmaceuticals, FMCG, telecom, automotive & finance. The year 2018 started on a positive note, with a number of initial public offerings (IPOs) in March with mergers & acquisitions surpassing the corresponding figures of 2017. The prices companies fetch relative to their revenues, surpassed any of those figures in the past 7 years. Walmart Inc officially announced to pay USD 16 billion for a 77% stake in Indian online shopping site Flipkart, making it the US retailer's biggest foreign investment ever.

Various factors which lead to this robust growth of mergers & acquisitions in India were liberalization, favorable government policies, economic reforms & dynamic attitude of Indian businesses in the recent past. Year 2012 saw a slowdown in mergers and acquisitions in India, hitting a three year low down by almost 61% from its preceding year. This was mainly caused by the euro zone crisis & other domestic reasons such as inflation, fiscal deficit, & currency depreciation. More recently, in 2017, India saw more than 1,000 mergers and acquisitions (M&As), the highest in the current decade. The deal making happened on the back of a record year in terms of raising equity. Private equity players too had their best year investing a record \$25 billion in India in 2017. While the number of cross-border deals fell to 340 in 2017 from 368 in 2016, the number of domestic deals increased to 682 in 2017, from 528 in 2016. According to global deal-tracking firm Mergermarket, the USD 23 billion Idea Cellular-Vodafone India deal was the largest transaction in 2017, while Reliance Jio Infocomm's USD 3.7 billion acquisitions in wireless spectrum, towers, fiber & media convergence node assets of Reliance Communication (RCom) was the second largest deal in 2017.

Such a scenario in the Indian Business landscape is indicative of the fact that, India is now more vulnerable to the uncertainties of the global economic factors affecting businesses world-wide. So India must concentrate upon refining the processes, increasing the simplicity in doing business abroad & the legalities involved in such dealings. It is not wrong to say that the mergers & acquisitions in India & the system related to that are in the infant stage but the domestic market is huge enough to provide opportunities to foreign investments & India is therefore becoming a highly sought after destination for M&A deals.....The game is changing fast in the Indian business world!

usha@imis.ac.in

MANAGEMENT

QUIZ-30

MANAGEMENT

QUIZ NO. – 30

Task Ahead



1. Which company markets the brand Duraguard cement that is one of the sponsors of RCB in IPL?
2. LOTS wholesale solutions has announced its entry in Indian market in competition with Walmart and Metro Cash and Carry. Name the company and the country it belongs to.
3. Which company has adopted Delhi's Red Fort under the 'Adopt a Heritage' scheme of the Ministry of Tourism, Govt of India?
4. Who has bought the electrical and automation business of L&T?
5. Which European country has mandated a minimum price for an alcoholic drink to curb consumption?
6. After buying the retail business of Asda from Walmart, which company CEO was caught off-guard singing- "We are in the money"?
7. "7 For all mankind" -In which category is this company a premium brand?
8. During meetings at Amazon, Powerpoint presentations are not allowed. Instead of ppts what is used?
9. Who has acquired the e-learning division of Tata Industries, namely Tata Interactive Systems?
10. Which leading electronics hardware mfr has announced that it will cap the profit after tax at 5 % for all their products as a company policy?

**Answers to Management QuizNo. 29
(Together, March-April 2018, Vol.7, No. 90)**

1. L&T 2. Suzuki Motors 3. Petronet
4. Pioneer 5. 40 6. Indian Hotels Company Ltd 7. CII 8. Pitstop 9. Milton 10. S Padmanabhan

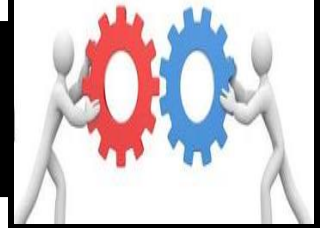
Students are required to send answers to Management Quiz No. 30 to the Email: usha@imis.ac.in, latest by 6th September 2018, to win attractive prizes, for all correct answers.



M & A

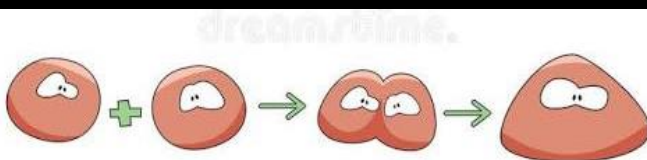
MERGER & ACQUISITION

Introduction



Merger

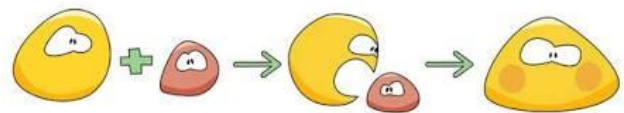
Merger refers to consolidation of two or more companies to form an all-new entity with a new name. Merger assists the companies in uniting their strengths, resources and weaknesses. Merger leads to a reduction in trade barriers and competition.



Merger

Acquisitions

Acquisition is the purchase of an entity by another entity. This can be done either by acquiring ownership over 51% of its share capital or by taking over the assets of the company. The acquiring company is more influential in terms of structure, operations and size as compared to the target company.



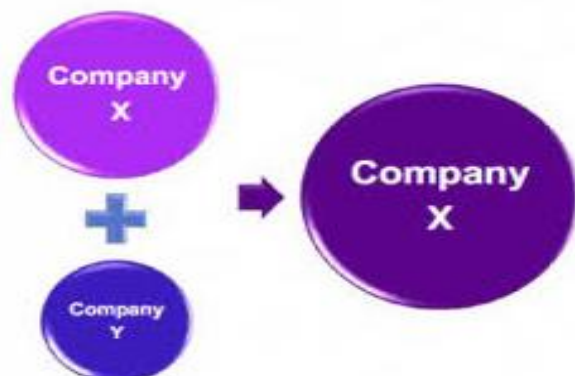
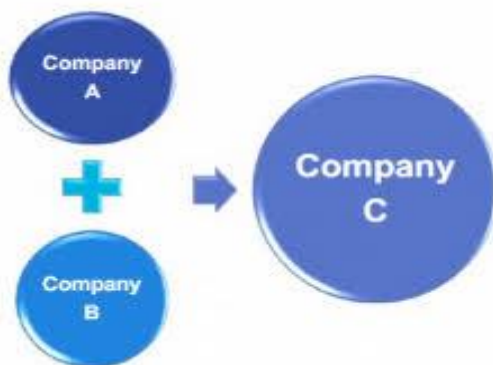
Acquisition

Types of Merger

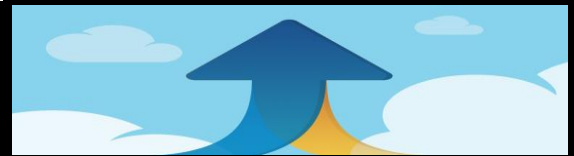
- Horizontal
- Vertical
- Congeneric
- Reverse
- Conglomerate

Types of Acquisition

- Hostile
- Friendly
- Buyout



M&A How Works?



RECENT BIGGEST MERGERS & ACQUISITIONS

MERGERS

Airtel-Telenor vs

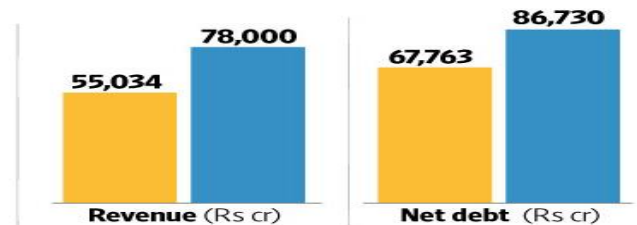
Subscriber base



Data as of 31 Dec 2016

Idea-Vodafone

Legend: Airtel+Telenor (Yellow), Idea+Vodafone (Blue)



Source: Companies, Mint research

NORWEGIAN FIRM ENDS TUMULTUOUS JOURNEY

Airtel's revenue market share will reach 32.3% (as of December 2017), customer market share at 29% (as of February 2018)

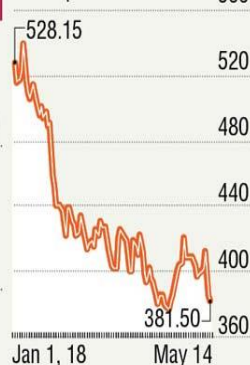
It will get access to 43.4 Mhz spectrum in 1800 Mhz band

The company will acquire 40 million users of Telenor across six circles

Airtel's total spectrum holdings across bands will reach 979.45 Mhz

BHARTI AIRTEL

Share price on BSE in ₹



The Next Step

DoT's final nod came after Vodafone and Idea agreed to pay dues

Now all cos will have to inform the RoC of the changes, after which Vodafone India and VMSL will cease to exist

Vodafone Group CEO expects merger to close in August

Combined entity will become India's largest telecom services provider
430 m total customers | **37%** revenue market share

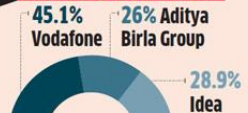


Kumar Mangalam Birla will be the non-executive chairman



Balesh Sharma will lead as the new CEO of the merged entity

SHARES IN THE TELCO



ACQUISITIONS

The quest for Bhushan Steel continues

The handover of control of the deb-ridden steel maker's assets is proving to be harder than many predicted.

Bhushan Steel's debt: **Rs56,000 crore**

Tata Steel's bid: **Rs35,200 crore**

New equity holding (in %)



THE \$16 BN HANDSHAKE

The sale, Walmart's biggest acquisition and the world's biggest e-commerce deal, will lead to windfall gains for Flipkart's investors.

HOW MUCH WILL TOP INVESTORS MAKE?



Includes previous returns
*Over time

Source: Mint research



Sachin Bansal
\$1-1.5 bn



Binny Bansal
\$1-1.5 bn*
*Over time



POSITIVE & NEGATIVE EFFECTS OF MERGERS

Positive Impacts

- Improved revenues and profits
- Reduced competition (market more attractive)
- Greater capabilities (e.g. technology, capacity, innovation)
- Better market access (e.g. distribution; new territories)

Negative Impacts

- One-off costs and effect of integration (disruptive for both buyer and target business)
- Too much focus on cost synergies can damage revenue & growth potential
- Cultural conflicts
- Risk of overpayment for the transaction

Advantages & Disadvantages of Acquisition

Advantages

- Decreased time to access and penetrate target market as the existing company already has a product line to be exploited and a distribution network
- Prevents an increase in the number of competitors in the market
- Overcome entry barriers including restrictions on skills, technology, materials supply and patents

Disadvantages

- Increased risk – may be a large financial commitment but faces political and market risks
- Poor or slow post-merger integration
- Target too large or too small
- Overly optimistic appraisal of synergies
- Overestimation of market potential
- Inadequate due diligence
- Incompatible corporate cultures

M & A REACTIONS

In defense of Facebook's \$19 billion acquisition of WhatsApp:

"I could be wrong. It could be the one service that reaches 1 billion users and doesn't become valuable."

— Mark Zuckerberg



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Firmex
Virtual Data Rooms

Facebook & Instagram

Here is an excerpt from Mark's blog post:



"This is an important milestone for Facebook because it's the first time we've ever acquired a product and company with so many users. We don't plan on doing many more of these, if any at all. But providing the best photo sharing experience is one reason why so many people love Facebook and we knew it would be worth bringing these two companies together"

"The fundamental basis of doing business in India will change. This round of M&A activity will be around consolidation of business and upgrading to a formalised economy"

Uday Kotak,
executive vice-chairman,
Kotak Mahindra Bank



"This strategic partnership enables Tencent to participate in the exciting opportunities in e-commerce and payments in India. We look forward to helping Flipkart to deliver compelling experiences to users throughout India, and to contribute to the development of the internet ecosystem there."

Martin Lau
Tencent, President



Much of what is called investment is actually nothing more than mergers and acquisitions, and of course mergers and acquisitions are generally accompanied by downsizing.

— Susan George —

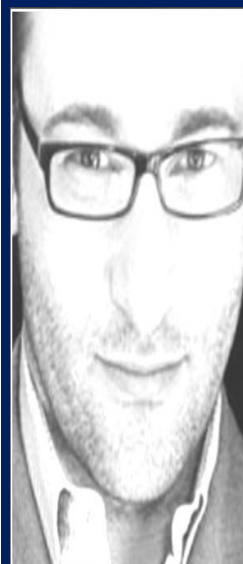
AZ QUOTES



Mergers are like marriages. They are the bringing together of two individuals. If you wouldn't marry someone for the 'operational efficiencies' they offer in the running of a household, then why would you combine two companies with unique cultures and identities for that reason?

— Simon Sinek —

AZ QUOTES





GST mop up edges closer to Rs 1 lakh crore

Jul 02, 2018, Economic Times

Goods and services tax (GST) collections rose further in June, raising the expectations of further rationalization in the 28% slab as the mop-up moves closer to the Rs 1 lakh crore mark. India marked the first anniversary of GST on Sunday, with the government hailing one of the country's most significant tax reforms since independence as a success. Data released by the government showed GST collection in June at Rs 95,610 crore, higher than Rs 94,016 crore in May and well above the monthly average of Rs 89,885 crore in the last financial year. "A steady and consistent increase in GST collections this financial year reflects the achievement of better tax compliance of GST," said Abhishek Jain, tax partner, EY India.

Ministry of Statistics seeks Rs 1,200 crore extra budgetary support

Jul 09, 2018, Economic Times

The Ministry of Statistics and Programme Implementation (MOSPI) has sought extra budgetary support of Rs 1,200 crore for four key surveys. "The MOSPI has asked for around Rs 1,200 crore more this month for four surveys -- informal sector, services, time use and economic census," MOSPI Secretary and Chief Statistician K V Eapen told reporters today.

Fiscal pressures for states due to pay revision, farm loan waivers: RBI

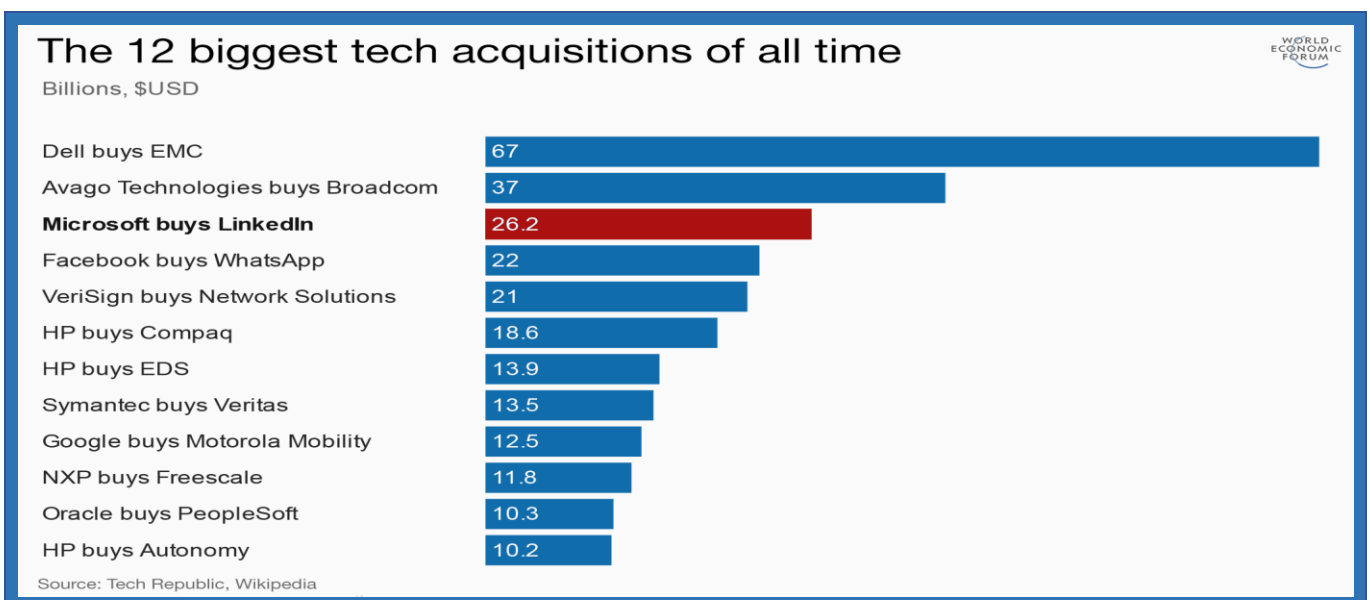
Jul 12, 2018, Economic Times

Higher expenditure on salaries and farm loan waivers, coupled with a revenue shortfall on GST implementation, led to a slippage of 0.35 per cent in states' fiscal targets to 3.1 per cent in 2017-18. This is the third consecutive year where the states have failed to meet their gross fiscal deficit (GFD) target, the central bank said, adding this comes despite expectations of an improvement on higher devolution from the Centre.

SNB says its data include total deposits of Indian customers: Swiss money

Jul 24, 2018, Economic Times

Amid a controversy over its official data showing 50 per cent surge in Indians' money in Swiss banks last year to CHF 1.01 billion (about Rs 7,000 crore), Switzerland's central banking authority SNB today said these figures are for total deposits of Indian customers, including from banks and enterprises. The Swiss National Bank (SNB) further said its figures include the "data from branches of Swiss banks in India" and therefore the locational banking statistics (LBS) compiled by the Bank for International Settlements (BIS), a global central banking body, would be more reliable.



FDI in food processing sector up 24% at \$ 905 million in FY'18.

Jul 27, 2018, Economic Times

The foreign direct investment (FDI) in the food processing sector rose 24 per cent in 2017-18 to USD 904.9 million, according to an official data. FDI inflow into the sector stood at USD 727.22 million during 2016-17 financial year. The sector attracted FDI worth USD 505.88 million and USD 515.86 million in 2015-16 and 2014-15 respectively, the data showed. At present, 100 per cent FDI in food processing sector is allowed through automatic route. In 2016, the Centre allowed 100 per cent FDI through approval route for retail trading, including through e-commerce, in respect of food products manufactured and produced in India.

GST evasion worth Rs 3,026 crore detected in 1 year: Government

July 31, 2018, Economic Times

The government has detected GST evasion worth Rs 3,026 crore in the last one year in relation to misuse of input tax credit and non-payment of taxes, the Rajya Sabha was informed today. In a written reply, Minister of State for Finance Shiv Pratap Shukla said between July 2017 and June 2018, a total of 1,205 cases of tax evasion were detected involving Rs 3,026.55 crore.

Bank credit jumps 12.44 pc, deposits up 8.15 pc

Aug 05, 2018, Economic Times

Bank credit grew by 12.44 per cent to Rs 86,13,164 crore in the fortnight to July 20, according to the RBI data. In the year-ago period, bank credit had stood at Rs 76,59,898 crore. Growth in advances during the reporting period was marginally lower than the increase registered in the fortnight to July 6, when loans increased by 12.78 per cent to Rs 86,60,069 crore.

No GST refunds for foreigners as of now: Finance Ministry

Aug 06, 2018, Economic Times

Foreigners coming to India may not get GST refunds on goods purchased and carried back by them as the government has not invoked relevant provisions of the Integrated Goods and Services Tax Act yet, the Finance Ministry has said in reply to an RTI query. It was asked to provide details on procedures for foreigners to get GST refunds on goods purchased by them in India. Some western nations provide refunds of certain taxes on goods purchased by foreigners there.

“BIGGEST” Acquisitions of all time

Acquirer Name	Target Name	Announced	Announced Value	Payment type
Time Warner Inc	Historic TW Inc.	1/10/00	\$186.2 billion	Stock
Vodafone Group PLC	Vodafone Holding GmbH	11/14/99	\$185.0 billion	Stock & debt
Verizon Communications	Cellco Partnership	9/2/13	\$130.1 billion	Cash & stock
Shareholders	Philip Morris International	8/29/07	\$107.6 billion	
Multiple acquirers	RBS Holdings NV	4/25/07	\$100.0 billion	Cash & stock
Pfizer Inc.	Warner-Lambert Co.	11/4/99	\$87.3 billion	Stock
AT&T Inc.	BellSouth Corp.	3/5/06	\$83.1 billion	Stock
Exxon Mobil Corp.	Mobil Corp.	12/1/98	\$80.3 billion	Stock
Royal Dutch Shell PLC	Shell Transport & Trading Co.	10/28/04	\$80.1 billion	Stock
Comcast Corp.	Comcast Cable Communications	7/9/01	\$76.0 billion	Stock
Sanofi	Aventis SA	1/26/04	\$73.4 billion	Cash & stock
GlaxoSmithKline PLC	SmithKline Beecham Ltd.	1/17/00	\$72.4 billion	Stock
Verizon Communications	GTE Corp.	7/28/98	\$71.1 billion	Stock
Citigroup Inc	Citicorp/Old	4/6/98	\$69.8 billion	Stock
AT&T Inc.	AT&T Teleholdings Inc.	5/11/98	\$68.2 billion	Stock
Comcast Corp.	Time Warner Cable Inc.	2/13/14	\$67.6 billion	Stock

Credit Suisse cautious on rupee; retains 12-month forecast at Rs 70 against US dollar

Aug 07, 2018, Economic Times

The weakness in rupee is expected to continue further and the domestic currency could touch 70 per US dollar if crude oil prices continue moving upward, says a Credit Suisse report. According to the global financial services major, rupee remains vulnerable to unexpected USD strength against the G10 currencies and the Chinese Yuan (CNY).

India's per capita income in last 4 years higher at ₹ 80,000

Aug 08, 2018, Livemint

India's average per capita income in the last four financial years was higher at ₹ 79,882 as compared to the preceding four fiscals. From 2011-12 to 2014-15, it was ₹ 67,594. "The average per capita NNI (net national income) in the country during 2011-12 to 2014-15 is estimated at ₹ 67,594 whereas average per capita NNI in the country during 2014-15 to 2017-18 is estimated at ₹ 79,882," MoS (statistics) Vijay Goel said in a written reply to Lok Sabha. According to statement, the per capita income grew by 4.6% in 2013-14 to ₹ 68,572, 6.2% to ₹ 72,805 in 2014-15, 6.9% to ₹ 77,826 in 2015-16 and by 5.7% to ₹ 82,229 in 2016-17.

LIC IDBI Bank deal gets government approval

Aug 08, 2018, Livemint

IDBI Bank said that the government has conveyed its "no objection" to reduction of government's shareholding to below 50%, relinquishment of management control in IDBI Bank and acquisition of controlling stake by LIC as promoter. LIC's IDBI Bank acquisition would be through preferential issue/open offer of equity, subject to regulatory approval and compliance with laws. Post the transaction, IDBI Bank would become a subsidiary of the insurer. LIC, at present, holds 7.98% stake in the bank.

Walmart may approach I-T department to determine tax liability in Flipkart deal

Aug 08, 2018, Livemint

In May, Flipkart had shared share purchase agreement with tax authorities, and I-T department is currently calculating the tax rate that would be applicable for investors in Flipkart who are selling the shares to Walmart.

Walmart last month assured the I-T department that it will fulfil all tax obligations. US-retail major Walmart may approach Indian authorities seeking withholding tax certificates for determining the tax liability in the USD 16 billion Flipkart buyout deal. Following CCI's nod to the Walmart-Flipkart deal, the I-T department expects Walmart to approach it under Section 197 of the Income Tax Act within a fortnight.



SEBI in process of developing interoperability framework for clearing corporations

Aug 09, 2018, Economic Times

Markets regulator SEBI is in the process of putting in place a framework for interoperability among clearing corporations - a move that will reduce trading cost. At present, different bourses have their own clearing corporations, which handle settlement of trades on the respective stock exchanges. The interoperability would permit trading members to clear trades through a firm of their choice instead of going through the clearing corporation owned by the bourse on which the trade was executed.

Reserve Bank backs REC-promoted ARC for power sector stressed assets

Aug 13, 2018, Economic Times

The Reserve Bank has backed the idea of state-owned Rural Electrification Corporation's proposal to form an asset reconstruction company (ARC) dedicated to take over stressed assets in the power sector. The 'just-in-time release' of funds through a finance management platform has cut the amount of money floating in the system, which has resulted in interest savings, a senior finance ministry official said.

GDP likely to expand by 7.4% in FY'19: FICCI survey

Aug 14, 2018, Economic Times

The Indian economy is expected to grow at 7.4 per cent in the current fiscal, higher than the previous year, said a FICCI survey released today. Rising oil prices however are putting pressure on the current account, while global uncertainties around trade and financial markets carry serious risks for the rupee, according to the economists who participated in the FICCI's Economic Outlook Survey.

Government attributes rupee fall to external factors, says nothing to worry

Aug 15, 2018, Economic Times

Attributing the fall in rupee value against the US dollar to "external factors", Economic Affairs Secretary Subhash Chandra Garg said today that there is nothing to worry about and even a 80-level is not a "serious thing" as long as the depreciation is in line with other currencies. The rupee crashed to record low of 70.09 during the day on global concerns over Turkey's economic woes which have impacted various emerging markets amid the US dollar gaining strength against other currencies.



SUN PHARMA-RANBAXY AFFAIR

- Ranbaxy portfolio grew from **32%** to **37%**
 - Sun Pharma's share dropped from **68%** to **63%** since March 2015
 - India revenue from Ranbaxy products: **₹ 3,000 crore**
 - India revenue from Sun Pharma products: **₹ 5,000 crore**
 - Total India revenue for Sun Pharma: **₹ 8,000 crore**
 - India sales contribute to **25%** of total sales
 - OTC products contribute **17%**
 - 21 step-down subsidiaries of Ranbaxy exist
 - Five direct subsidiaries of Ranbaxy exist
 - Sun Pharma Q2 FY17 profits at **₹2,235 crore** vs **₹1,028 crore** in Q2 FY16
 - After buying Ranbaxy, Sun Pharma entered the OTC space with brands like Volini, Revital H
- March 2015:**
- India revenue from Ranbaxy portfolio **₹2,200 crore**
 - India revenue from Sun Pharma portfolio: **₹4,500 crore**
- Source: BSE & Industry

Reasons of Acquisition

- Acquired JLR under the leadership of Ratan Tata, the then Chairman of Tata Group
- Global launch of TATA
- Gain international high-tech know-how
- Easy upscale to the luxury automotive sector
- Cost effective competitive advantages
- Enhance financial position in the share market
- Potential synergies between TATA and JLR
- Benefit low cost design and engineering by moving design centers directly at Jaguar
- Gain distribution channels without merging
- Acquire 3 UK plants, 1.1 billion USD in capital allowance for taxes and have access to 26 sales companies with their IP rights.



COMPANIES AND COMMODITIES

Stop dealing in cryptocurrencies, SC refuses to stay RBI circular

July 04, 2018, The Indian Express

The Supreme Court on July 3, 2018 refused to put a stay on the Reserve Bank of India (RBI) circular prohibiting banks and financial institutions from dealing in virtual currencies, thus upholding the ban on the virtual currencies such as Bitcoin. With this ruling, all virtual currency transactions through banks would be blocked with effect from July 6, 2018, thus, resulting in a ban.

Samsung opens world's largest mobile phone factory in Noida

July 09, 2018, The Tribune

Samsung has opened the world's largest mobile factory in Noida, India. Samsung is currently making 67 million smartphones in India and with the new plant being functional, it is expected to manufacture around 120 million mobile phones, nearly double the number. The new facility is also expected to double Samsung's production capacity of consumer electronics such as refrigerators and flat-panel televisions.

NCLT upholds Tata Sons' 2016 move sacking Cyrus Mistry as Chairman

July 09, 2018, Business Standard

The National Company Law Tribunal (NCLT) on Monday upheld the October 24, 2016 decision of the Tata Sons Board of Directors dismissing its then Chairman Cyrus Mistry, a company official said here. The NCLT ruled that the Tata Sons Board of Directors was competent to remove the Executive Chairman and that Mistry was ejected as the board members had lost confidence in him.

DoT gives conditional go ahead to Idea-Vodafone merger

July 10, 2018, Economic Times

The Department of Telecom (DoT) on July 26, 2018 gave the final approval to the merger of Vodafone India and Idea Cellular. The merged identity will be known as 'Vodafone Idea' that will create India's largest mobile-phone company. Kumar Mangalam Birla, Chairman of Aditya Birla Group, will be the Non-Executive Chairman of Vodafone Idea while Balesh Sharma, Chief Operating Officer of Vodafone India, will be the CEO.



A.P. tops in 'Ease of Doing Business'

July 11, 2018, The Hindu

For the second year in a row, Andhra Pradesh has topped the third edition of the government's 'Ease of Doing Business' Index 2018 with a final score of 98.42 percent. The government released the latest ranking of states and UTs under the Business Reform Action Plan (BRAP), 2017.

India surpasses France to become world's sixth largest economy

July 11, 2018, Business Standard

India has surpassed France to become the world's 6th largest economy, as per World Bank data on the gross domestic product (GDP) of countries for 2017. The data revealed that India recorded a GDP of USD 2,597,491 million in 2017, while France recorded a GDP of USD 2,582,501. India is now placed just below the United, which recorded a GDP of USD 2,622,434 million in the same period.

India formally becomes 69th shareholder of European development bank.

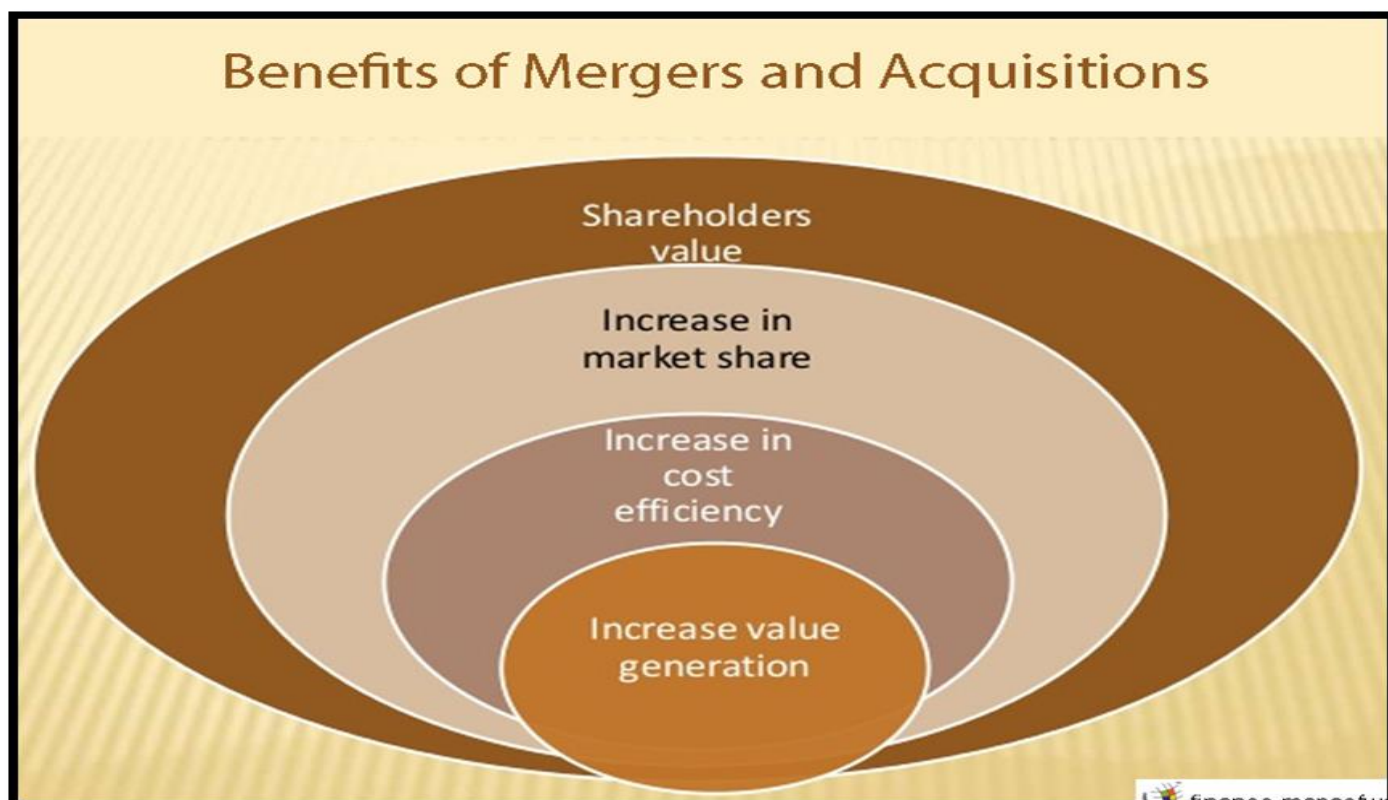
July 10, 2018, The New Indian Express

India on July 11, 2018 formally became the 69th shareholder of the European Bank for Reconstruction and Development (EBRD), paving the way for more joint investment with Indian companies across the bank's regions of operation. India's membership of EBRD would also enhance the competitive strength of the Indian firms and provide an enhanced access to international markets in terms of business opportunities, procurement activities and consultancy assignments.

Internet to remain free and fair in India as net neutrality gets government nod

July 12, 2018, Hindustan times

The Telecom Commission on July 11, 2018 approved the Telecom Regulatory Authority of India's (TRAI) net neutrality recommendations that bar service providers from discriminating against internet content and services by blocking, throttling or granting them higher speed access. The decision that aims to ensure open and free Internet in the country was taken at a meeting of the Commission, the highest decision-making body in the Department of Telecommunication in New Delhi. In its recommendations, the regulatory body asserted that there should be no intrusion of equal internet access to everyone, based on just the content.



BSNL launches first Internet telephony service in India, Wings app for unlimited calls

July 12, 2018, The Indian Express

State-owned BSNL unveiled the country’s first internet telephony service that will allow users to dial any telephone number in India through its mobile app, starting from July 25. The company launched the app ‘Wings’ that will allow customers to make unlimited calls by paying annual fee of Rs 1,099 and by using internet service or wi-fi of any telecom operator, to any phone number.

Government constitutes 10-member committee to review offences under Companies Act, 2013

July 16, 2018, Business Line

The Corporate Affairs Ministry (MCA) has constituted a 10 Member Committee for review of the penal provisions in the Companies Act, 2013. This Panel is expected to examine ‘de-criminalization’ of certain offences.

Plastic ban impact: Coke, Pepsi, Bisleri start printing buyback value on PET bottles

July 20, 2018, The Economic Times

Top beverage companies including Coca-Cola, PepsiCo and Bisleri, have initiated a buyback programme for all PET bottles sold in Maharashtra. Under the programme, a predefined buyback price will have to be mandatorily printed on the larger PET/PETE bottles. Most companies have set the buyback value at Rs 15 per kg for PET bottles and Rs 5 per kg for shrink wraps.

LIC-IDBI deal: Cabinet approves LIC's acquisition of 51% stake in IDBI Bank

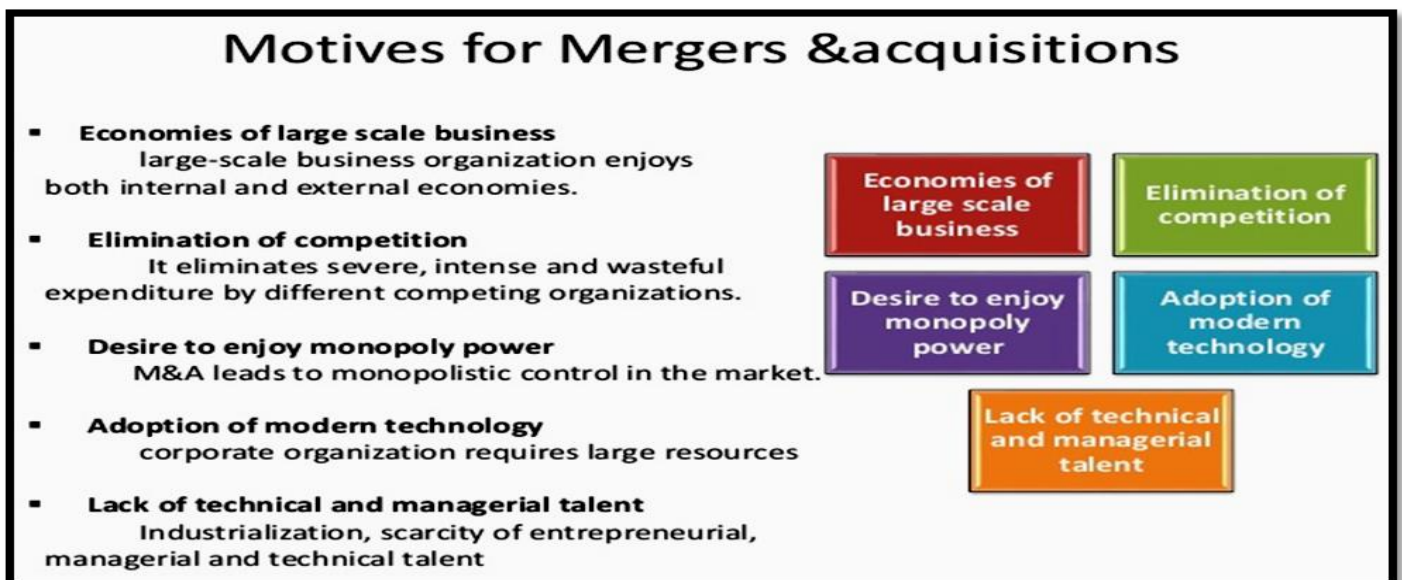
August 02, 2018, Business Today

Union Cabinet, chaired by Prime Minister Narendra Modi, has cleared the Life Insurance Corporation's acquisition of 51 per cent stake in the debt-ridden IDBI Bank. The approval of the deal means LIC will raise its stake in the bank from the current 8 per cent to 51 per cent, which makes makes it a majority holder. As per the proposal, IDBI Bank will issue preferential shares to LIC to raise money.

Startup India launches Academia Alliance Programme

August 06, 2018, Jagranjosh

Startup India has launched the **Startup Academia Alliance programme**, which is a unique mentorship opportunity between academic scholars and startups working in similar domains. The first phase of Startup Academia Alliance was kick-started in partnership with Regional Centre for Biotechnology, The Energy and Resources Institute (TERI), Council on Energy, Environment and Water, and TERI School of Advanced Studies.



Indra Nooyi to step down as Pepsico CEO

August 07, 2018, Business Today

PepsiCo CEO Indra Nooyi will step down on October 3 after a 12-year stint at the helm of food and beverage multinational. The 62-year-old India-born executive has spent 24 years at PepsiCo. The company announced that its Board of Directors has unanimously elected Ramon Laguarta to succeed Nooyi as Chief Executive Officer.

Parliament passes Insolvency and Bankruptcy Code Bill

August 10, 2018, The Times of India

The Rajya Sabha on August 10, 2018 passed the Insolvency and Bankruptcy Code (Second Amendment) Bill, 2018. The bill was passed by the Lok Sabha on July 31, 2018. The Bill amends the Insolvency and Bankruptcy Code, 2016 to clarify that allottees under a real estate project should be treated as financial creditors. The voting threshold for routine decisions taken by the committee of creditors has been reduced from 75 percent to 51 percent. For certain key decisions, this threshold has been reduced to 66 percent. The Bill allows the withdrawal of a resolution application submitted to the National Company Law Tribunal (NCLT) under the Code. This decision can be taken with the approval of 90 percent of the committee of creditors.

NITI Aayog launches 'Pitch to MOVE' for startups

August 14, 2018, Jagranjosh

NITI Aayog on August 14, 2018 launched 'Pitch to MOVE', a mobility pitch competition that aims to provide budding entrepreneurs of India with a unique opportunity to pitch their business ideas to a distinguished jury. The competition would enable startups working in the various fields of mobility to pitch their ideas to industry leaders and venture capitalists for raising investments. The winners of the event will be felicitated by Prime Minister Narendra Modi during the valedictory session of the Global Mobility Summit on September 8, 2018.

Flipkart buys AI startup Liv.ai

August 21, 2018, Livemint

India's largest e-commerce firm Flipkart has acquired artificial intelligence (AI) startup Liv.ai, which has built a platform that translates speech to text in 10 Indian languages.

CROSS-BORDER M & A

