TIMES BUSINESS

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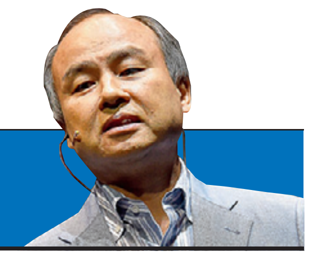
JACK MA'S NET SURGES $2.8BN IN 1 DAY AS ALIBABA GROUP FORECAST 45 TO 49% SALES GROWTH | 18

SOFTBANK AGREES TO BUY ROBOT MAKER BOSTON DYNAMICS FROM GOOGLE PARENT ALPHABET | 18



Infy founders' share sale 'no bad thing': Investors

Shares Recover After Dropping 4%, Most Bet On Sale In Small Tranches To Avoid Value Destruction

Times News Network

Bengaluru: Investors and former Infoscions said that it would not be a "bad thing" if the co-founders of Infosys were to sell their stake in the company, though it will be a pivotal moment for India's second largest IT services provider.

One of the biggest institutional shareholders in the company, Aberdeen Asset Management, said if the news of the founders exploring share sale is true, "maybe moving on is no bad thing." When asked if such a move will affect investor sentiments, Aberdeen Asia MD Hugh Young said, "Both ways, I guess. Gets it over and done with and hopefully stops the badmouthing, while it is extremely sad the inspirational founders have left. Again, if true."

Infosys shares tanked as much as 4% in early morning trade but recovered to close only with 0.78% decline. NYSE-listed Infosys's ADR opened in the red with the stock down 2.82% to $14.86 apiece in Friday early trading. The fall in Infosys share price dragged the broader IT index on Friday with shares of TCS and Wipro declining 0.5% and 1.6% respectively.

The reaction from Aberdeen and some other investors, who spoke on condition of anonymity, suggests that they have been perturbed by the ramifications of the tussle between Infosys founders and the company's board over last year. Former chairman and co-founder N R Narayana Murthy had repeatedly expressed his displeasure over chief executive Vishal Sikka's high compensation and slippage in governance issues—dissatisfaction which turned into a scathing attack earlier this year. **TOI** on Friday reported that five co-founders were exploring the possibility of selling their entire 12.75% stake worth ₹28,000 crore ($4 billion plus). The move is said to have been triggered by the promoters' unhappiness over the manner in which the company has been run since their exit three years ago, the report had said. Any stake sell is most likely to take place through stock market block deals, and in tranches. A single block deal is thought to be unlikely.

Murthy had categorically denied plans to sell shares in the company, as quoted in the Friday report. Infosys said it has no information about the founders' plans to sell and pointed to the fact that Murthy had already denied share sale rumours. N S Raghavan, a co-founder, but not classified as an Infosys promoter, said that after the founders decided to leave it was understood that the new management will have its own way of working. "They have brought a new way of looking at things which is in variance with the founders and it is bound to happen in any company." The ongoing acrimony has been widely perceived as a clash between the promoters, who voluntarily took a backseat but wanting some say, and a professional board trying to run the company, navigating the challenges the IT industry is currently.

"If all of them take out huge amounts of money fast, it can have an effect on the company and the employee morale. It is a question of quantum and speed. They are pragmatic enough not to do it at one go," Raghavan said. He explained that pragmatism meant unlocking the value in tranches when stock prices go up. "There will be some emotional attachment, but they have to make other investments or social work. It does not happen that founders will keep all their money as Infosys shares," he added. Raghavan was a board member till 2000 when he retired as deputy managing director. He still owns some Infosys shares though he says he has been selling them for the last 15 years.

Vivek Wadhwa, a distinguished fellow at Carnegie Mellon University Engineering at Silicon Valley, said the reported share sale "may be better in the long run for the founders of Infosys and for the company. It is like a divorce, they need to separate their assets and move on with life. I am sure the founders have also come to the same realization that I have — that Indian IT has peaked and stock prices will be dropping. This is the best time for them to exit". But there were differing voices. A senior tech industry veteran, who did not wish to be identified, said the Infosys board and chairman have treated the largest group of shareholders shabbily and had to go. "It is shameful to treat the promoters like this when they have gracefully exited the firm and handed over the control to professional management," he argued.

'CAN HURT STAFF EMPLOYEES MORALE'

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City's Darling Stores For Close To A Century Now

From Kathiawar to Hyderabad, josh unlimited for Doshi family

Swati.Rathor@timesgroup.com

Hyderabad: When this family migrated to Hyderabad from Gujarat in the 1920s, the city was already a thriving trade centre and it rode this wave. Close to a century after the Doshi family set up Kathiawar Stores, it dabbled in electronics, stationary items to food items before venturing into the cosmetics business in the late 1990s.

Today, Kathiawar Stores is a household name in the city. "At times we get customers who have been visiting our store for the past 50 years or so. People trust us because they are assured of a great variety as well as quality," says Devang Doshi, director, Kathiawar Stores.

Devang, who is the sole member from the third generation of the Doshi family to be active in the business, recounts that in 1928 when various members of his family, including his grandfather, set up the first Kathiawar Stores at Sultan Bazaar, it was more about selling general items and of course catering to the royalty. "Hyderabad was a flourishing business centre with many wealthy customers during the Nizam's rule. After setting up shop in Sultan Bazaar, the demand was so good that we needed a bigger space and hence shifted to a store at Abids in 1935. Subsequently, we also set up a store at Secunderabad to primarily cater to the British regiment. We used to get many British customers as we used to sell a lot of imported goods during those days," he adds.

He points out that one of the major reasons that the family business has sustained for nearly a century is because the family has never shied away from change. "Depending on the trend and demand, we have tried out different businesses... but all the while the name of the store has remained the same."

It is in the last 25 years that the family finally found its forte after it forayed into the cosmetics and lingerie business and today has three stores in the city – Jubilee Hills, Abids and Secunderabad. Devang points out that business has been robust and Kathiawar Stores is planning to set up multiple stores across the city over the next two to three years before foraying into markets such as Vijayawada and Visakhapatnam. But at a time when people are increasingly buying cosmetics as well lingerie at the click of a button, does betting big on physical stores makes sense? Though the online space is expanding, offline can never be out of vogue, he says.

"If you see the trend, those who shop for cosmetics online are the ones who know what brand and product they are looking for but there are many people who do not understand or are not aware of what kind of products they must go for. In such cases, we have staff to help customers understand products and this is a major differentiator," he explains. Speaking about the major trends in the business, he points out that the men's grooming segment is booming with multiple products being launched and the metrosexual male lapping it all up. The other area that he feels is gaining momentum is the organic/natural cosmetics products segment. Kathiawar Stores retails over 200 brands and one of the major challenges, Devang feels is the speed at which new products and technology (that is used in business operations) keeps evolving as well as changing. Apart from the cosmetics business, the family also runs KS Beauty Centre at Secunderabad, which retails equipment for beauty salons.

HERE, THERE, FOR YOU ALL WARES

Left to right: Devang Doshi, Hemant, Paresh, Bhavin, Sachin, Mayur

SINCE 1928

Kathiawar Stores, from simple daily essentials to high end cosmetics and fine lingerie

What?
Kathiawar Stores

Where
Abids, Secunderabad and **Jubilee Hills**

When?
Since 1928

Who?
Doshi family started the stores

Why Kathaiwar Stores?
It's a name of a region in **Gujarat from where the family belongs.** Stores set up by members of the **Doshi family that hails from Gujarat**

DID YOU KNOW?

- **1935:** The family established its second store in **Abids**
- The **Doshi family** set up its store in **Secunderabad** that mainly catered to the **British regiment**
- The stores was patronised by **British customers** as it sold a variety of imported goods

FAMILY TREE

Second generation: Hemant, Bhaven and Mayur

Third generation: Only Devang is active as other members are barely in their teens

What's in store?

- **Kathiawar Stores** retails more than **200 cosmetic brands**
- The family is planning to open more **stores in the city over the next two years** and is also keen on foraying into **Vijayawada and Visakhapatnam in the near-term**

"Hyderabad was a flourishing business centre with many wealthy customers during the Nizam's rule. After setting up shop in Sultan Bazaar, the demand was so good that we needed a bigger space and hence shifted to a store at Abids in 1935. Subsequently, we also set up a store at Secunderabad to primarily cater to the British regiment. We used to get many British customers as we used to sell a lot of imported goods during those days,"

Devang Doshi | Kathiawar stores, director

RUNS IN THE FAMILY

SBI cuts home loan rates above ₹75 lakh

Times News Network

Mumbai: State Bank of India (SBI), the largest home loan provider, has cut interest rates on home loans above ₹75 lakh by 10 basis points to 8.55% for salaried women borrowers and 8.60% p.a. for others. "Taking a cue from the recent RBI reduction in risk weightage on home loans, SBI is passing on the benefit to its customers ," said Rajnish Kumar, MD, SBI, explaining the rationale behind the cut. While SBI was the cheapest in the mid-segment segment, its loans were marginally higher than HDFC in the ₹75 lakh- plus category where HDFC charges 8.55% for all borrowers. Incidentally, HDFC continues to be the cheapest in this segment. Other banks might follow suit. "There is merit (in reviewing interest rates). We will take a look at it later," said Rajiv Anand, executive director, Axis Bank. SBI's reduction in interest rates follows the RBI's move to make home loans cheaper by reducing the amount of capital that banks have to set aside on high-value mortgages. This is the second time that SBI is revising rates in a month. In May the bank reduced its interest rates by 25bps by shrinking the spread over its benchmark rates. SBI Home loans up to ₹75 lakh will continue to attract 8.35% for women and 8.40% for other borrowers.

Although the RBI had tweaked the capital requirements relating to other home loan segments, Kumar said that the savings were only marginal. "The savings in cost on account of the reduction in risk weightage is only two basis points. We had already reduced interest rates in other segments on April 9," he added. Earlier this week, RBI governor Urjit Patel said that instead of cutting interest rates, the central bank was engaging in a "targeted intervention" to direct funds to sectors like home loans which were doing well.

WHAT BANKS ARE OFFERING

Amount	Category	SBI (%)	HDFC (%)	ICICI Bk (%)	Axis Bk (%)
Up to ₹30L	Women	8.35	8.35	8.35	8.35
	Others	8.40	8.40	8.40	8.35
₹30L-75L	Women	8.35	8.50	8.65	8.65
	Others	8.40	8.50	8.70	8.65
Above ₹75L	Women	8.55	8.55	8.70	8.70
	Others	8.60	8.55	8.75	8.70

After ₹15,000cr QIP, SBI can do sans govt funds: Arundhati

Times News Network

Mumbai: State Bank of India chairman Arundhati Bhattacharya said that her bank would not need funds from the government after its successful ₹15,000 crore qualified institutional placement (QIP) – the largest equity offering from India in a decade and third-largest in Asia pacific in 2017.

Bhattacharya

The Life Insurance Corporation has picked up around 38% of shares offered through the QIP with an investment close to ₹5,700 crore. The corporation has received 70% of the shares that it had bid for. Prior to the issue, LIC's stake in the bank, which stood at 8.96% as on March 2017, has risen to 10.4% after its subscription in the QIP.

Bhattacharya said that the bank's capital adequacy has increased 79 basis points to 13.64% and common equity tier-1 capital was 10.2%. After the issue, government shareholding in the bank has dropped to 57%. (100 basis points = 1 percentage point) "We will not require funds from the government as we will be quite comfortable till next year," said Bhattacharya. She said that the bank's projection on capital requirement included a 10-12% growth in credit and the new Basel III international prescriptions on capital. "All this talk that PSUs cannot get good response in the market is not correct," said Bhattacharya. "It is better to have larger entities because they have the staying power and they have the spending power," she added.

"While we will not be raising capital, we will look at unlocking value in some of our investments. The main stake sale will be in SBI Life through an initial public offering," said Bhattacharya. The other strategic investments the bank will look at exiting include NSE (10.9% shareholding), Clearing Corporation of India (26%) and UTI Mutual Fund.

Trump's policies may impact biz, says Wipro

New Delhi: IT major Wipro has listed US President **Donald Trump**'s policies as a risk factor that could impact its business, citing promotion of "greater restrictions on free trade" among key worrying points.

The Bengaluru-based firm which earned 52% of its IT services revenue from the Americas, including the US, said significant developments stemming from the US presidential election could have a material adverse effect on its business. As a candidate, Trump and his administration had expressed support for policies impacting existing trade agreements, like North America Free trade agreement (Nafta), and proposed trade agreements, Wipro said in an SEC filing. In its annual report for the fiscal ended March 31, 2017 filed with the market regulator, Wipro further said Trump administration has been "promoting greater restrictions on free trade generally and significant increases on tariffs on goods imported into the US". AGENCIES

CCI junks Airtel's plaint against Reliance Jio over pricing row

Pankaj Doval
@timesgroup.com

New Delhi: Fairplay watchdog Competition Commission of India (CCI) has rejected Bharti Airtel's allegations that Reliance Industries and its telecom venture Reliance Jio had engaged in predatory pricing, while launching mobile services through attractive and free offers. After having discussions with the companies and hearing arguments presented lawyers of the two sides, CCI said a single-digit market share of Jio does not give it a position from where it can dominate the market and engage in anti-competitive tactics through abuse of its strength.

"In the absence of any dominant position being enjoyed by Jio in the relevant market, the question of examining the alleged abuse does not arise. Notwithstanding this, the offers of Jio do not appear to raise any competition concern at this stage," the six-member CCI bench, headed by chairperson D K Sikri, said. The bench ruled that "no prima facie case of contravention" of competition rules has been found against Jio, or its parent Reliance Industries, following the rollout of services by them on September 5. The CCI order said Airtel had failed to highlight reduction of competition or elimination of any competitor following launch of services by Jio. "The commission notes that providing free services cannot by itself raise competition concerns unless the same is offered by a dominant enterprise and shown to be tainted with an anti-competitive objective of excluding competition/competitors."

It said the existing telecom market is characterised by the presence of "entrenched players" with sustained business presence and financial strength. It shot down Airtel's concerns around the strong financial position of Reliance Industries that the former alleged had been being used to cause "an appreciable adverse effect on competition" in the telecom business.

'NOT ANTI-COMPETITIVE'

"In a competitive market scenario, where there are already big players operating in the market, it would not be anti-competitive for an entrant to incentivise customers towards its own services by giving attractive offers and schemes. Such short-term business strategy of an entrant to penetrate the market and establish its identity cannot be considered to be anti-competitive in nature and as such cannot be a subject matter of investigation under the Act

Competition Commission of India

Red carpet for new hires before day 1

Lubna.Kably@timesgroup.com

Mumbai: If you are a visitor at a company and spot an employee frantically looking for someone wearing a pink shirt, don't be taken aback. He is likely to be a new joiner — the pink shirt is just one of the clues of the treasure hunt he is on. This game familiarises new employees with the workplace and helps break the ice with other employees.

India Inc is walking that extra mile to make the first day a memorable one for new joiners. Team-building games, campus walks, fun gamification modules (digitised learning games) to learn about the history of the company, the dos and don'ts and various policies are part of the first-day on-boarding (induction day) package. Some roll out the red carpet once the offer letter is accepted, and keep the employee engaged till he or she joins. Gone are the days when boring PowerPoint presentations, followed by a cumbersome process of filling multiple forms, was the typical first day at work. Today, most forms have been digitised and are available online.

Even before a candidate joins the organisation, IDFC Bank hands over a preloaded beverage card. "This encourages a conversation over coffee about the bank with friends and family," says Rajiv Lall, MD & CEO, IDFC Bank. "Plus, the family of the recruit is given due recognition of their role in making the career decision to join the bank. The parent or spouse receives a bouquet of flowers, once the offer letter is accepted," adds Lall. At Flipkart, after the acceptance of the offer letter, new recruits are given Flipkart vouchers, flowers and chocolates. Recruiting millennials calls for an ongoing engagement. Anil Jalali, chief HR officer at Capgemini India, says, "We actively engage with our campus hires from the time we make them an offer (which is nine months prior to their joining us). We connect with them through multiple social and official platforms — the idea being to bring together all the new joinees and familiarise them with our culture and ethos." Additionally, all the required documentation is completed prior to joining, which enables recruits to dive straight into the comprehensive Newly-Inducted Capgemini Employee (NICE) programme on their first day at work.

Having a buddy assigned once you join to help you settle in is the norm. However, at IDFC Bank, on accepting the offer letter, the candidate is given a relationship manager (RM), who later becomes the buddy at the workplace.

WELCOMING NEW TALENT

- Before the joining date, IDFC Bank gives new employees a preloaded beverage card, while the parent or spouse gets flowers
- Flipkart gives recruits vouchers, flowers & chocolates
- Capgemini India engages with candidates up to 9 months prior to joining via social & official platforms
- Oyo uses witty & quirky mails to give information of new employees, like him being a foodie, besides the usual education & career history
- Cos also deploy gamification tools

Getty Image

- Beyond first day, cos help new employees settl