



**MARK ZUCKERBERG-RUN FACEBOOK'S SHARES HIT RECORD HIGH AS MOBILE AD SALES SOAR IN Q2**

**INVESTORS SPOOKED AS JACK DORSEY-LED TWITTER'S REVENUE FALLS 4.7% IN Q2, FAILS TO ATTRACT AUDIENCE**



## SoftBank toughens stand on Snapdeal-Flipkart merger

Seeks 100% Shareholder Nod | May Back Flipkart Independently

Samidha Sharma & Bobby Kurian | TNN

The biggest consolidation move in the Indian e-commerce industry is precariously poised as Snapdeal's largest investor SoftBank has threatened to walk out of the deal if all the shareholders in the troubled online retailer do not vote in favour of a merger with Flipkart. As things stand right now, that may pave the way for SoftBank to independently invest in Flipkart without taking along Snapdeal, sources close to the matter said.

"For the deal to go through successfully, 100% of the shareholders need to vote for the sale as it is no more a board decision. That's why it's far tougher to pull this off as it is not only what the board members decide," another source said.

### TRIGGERS FOR CONFLICT

► Objections & delays by Snapdeal's smaller shareholders have reportedly exasperated SoftBank

► Also, Snapdeal founders are said to eyeing alternative mergers, like with Infibeam



► For the Japanese telecom giant, there's no clause that stops it from backing a Snapdeal rival in e-commerce space like Flipkart

► But some say such a move by an investor may hit its credibility in the future

TOI first reported in its March 28 edition that the Masayoshi Son-led SoftBank was orchestrating the sale of one of its most prominent Indian portfolio companies, Snapdeal, to rival Flipkart. The deal at the time was a two-pronged one, wherein after the sale of Snapdeal to Flipkart, the merged entity would receive about \$1.5 billion in primary and secondary capital. Tiger, which

is the largest shareholder in Flipkart, was to sell a bunch of its shares to SoftBank. But after months of negotiating with various Snapdeal investors to get their support for the deal, SoftBank may finally take the call of moving on in the absence of a full and final approval from all stakeholders, a person privy to the goings-on told TOI. "SoftBank is exasperated by repeated objections and de-

lays triggered by Snapdeal's smaller shareholders. More recently, Snapdeal founders are possibly exploring alternative proposals to merge with other e-commerce firms like Infibeam. There's a sense that SoftBank won't pursue the merger even if 5% of the shareholders are unhappy with the revised Flipkart proposal," a source said on the condition of anonymity. There is no clause that stops the Japanese internet group from backing Snapdeal's rival Flipkart but it may raise concerns about its credibility as an investor if it does take that step, another person close to the matter said.

When contacted, a spokesperson for SoftBank did not offer any comments on the latest developments, while an emailed query sent to Kunal Bahl, co-founder & CEO, Snapdeal, remained unanswered till the time of going to press.

## Diageo asks Mallya to return \$40m paid last year

TIMES NEWS NETWORK

Bengaluru: Diageo said it has asked Vijay Mallya to return \$40 million, which was paid by the world's largest drinks maker to the former

liquor baron last year, as part of a deal which saw him stepping down from United Spirits (USL). The deal included upfront payment of the amount, with the balance being paid in equal instalments over the next five years, provided Mallya comply with the terms of the agreement such as a five-year global non-compete (excluding the UK) and non-interference among others.

"Diageo and other group companies have demanded from Mallya the repayment of \$40 million which was paid by Diageo on February 25, 2016, and also sought compensation from him for various losses incurred by the relevant members of the Diageo group on account of the breaches committed by him," the company said in its preliminary results for the year ended June 30.

Mallya stepped down as the chairman of United Spirits after it was alleged he diverted funds to the now defunct Kingfisher Airlines and his Formula One Team. In July 2016, USL disclosed Rs 1,225.3 crore worth fund diversion and improper transactions with entities associated with Mallya. "While the first instalment of \$7 million would have become due on February 25, 2017, owing to various reasons, including breaches of several provisions of the February 25 Agreement committed by allya, Diageo believes that it was not liable to pay such amount, and is very unlikely to become liable to pay future instalments, to Mallya," the British company added.

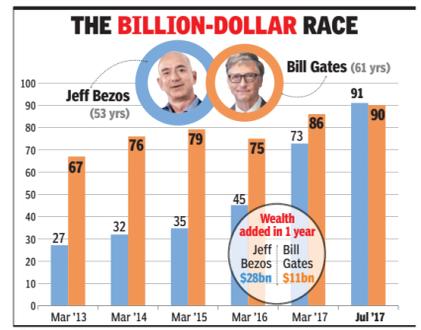
## Bezos world's richest man, beats Gates

Amazon Stock Surge Pushes Fortune To \$91Bn

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Amazon's founder CEO Jeff Bezos may have ended Microsoft badshah Bill Gates' long reign since 1995 as the world's richest individual—a position interrupted only briefly by the likes of Berkshire Hathaway's Warren Buffett and Mexican billionaire Carlos Slim.

both occasions within a year. Because their wealth is largely a result of the shares they own their company and its fluctuating price, it is possible that the wealthiest title may go back and forth between Gates and Bezos—both from Seattle—for a while. But Bezos is considered a good bet to hold the title in the long run given Amazon's phenomenal run and seemingly



A 1% bump in the shares of Amazon on Thursday morning pushed the personal wealth of Bezos, who owns about 17% of the company, to over \$91 billion, overtaking Gates' approximately \$90 billion, give or take a few million. Gates has generally been regarded as the wealthiest individual on the planet except when Slim bumped him from the top spot in 2012 and his friend and bridge partner Buffett topped him a few years earlier in 2008. Gates regained the top position on

## Capital set to buy 37% in InterGlobe co for \$200m

Shilpa Phadnis & Bobby Kurian | TNN

Bengaluru: Marquee global investor Capital International is set to buy a \$200-million minority stake in InterGlobe Technology Quotient (ITQ), a strategic business unit of Indian aviation leader InterGlobe Enterprises, people directly familiar with the matter said. Capital will buy about 37% stake held by a group of financial investors, including Standard Chartered Bank, DBS and Credit Suisse, valuing the company at around \$600 million.

Last year, TOI had reported that investors were lining up for a secondary deal in ITQ, which is a GDS provider and partners global brands like Travelport in Asia-Pacific. InterGlobe promoters and aviation entrepreneurs Kapil Bhatia and Rahul Bhatia own about 63% in ITQ.

Capital Group has more than \$1.4-trillion assets under management. Its private equity arm provides tech, payment & other solutions for the \$7 trillion global travel & tourism sector

ty arms pick up large minority interests in established, fast growing businesses. Capital's recent investments in India include stake buys in domestic pharma majors Intas and Mankind, together worth around \$320 million. Capital's emerging market private equity portfolio includes China's taxi-hailing firm Didi Chuxing and African tower company Eaton. The ITQ deal, estimated at \$175-200 million, is mostly a secondary purchase from current financial investors who bought into the Gurgaon-based company almost a decade ago. Citigroup and Moelis & Co are advising on the transaction. An email sent to the Capital Group and ITQ didn't elicit a response till the time of going to press.

## ChrysCap exits KPIT, sells 13.5% for ₹350cr

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Bengaluru: Indian private equity bellwether ChrysCapital has sold entire 13.5% stake in product engineering and IT consulting firm KPIT Technologies for \$55 million, or Rs 350 crore. ChrysCapital offloaded shares to mutual funds and HNIs through block deals in recent weeks, exiting its bets on the Pune-based company.

The share sale by ChrysCapital also puts to rest recent speculation about a large new investor entering KPIT, a mid-sized IT services business focused on sectors such as automobile and manufacturing, or the company figuring in an industry consolidation deal. Last year, the company had worked with investment bank Avendus Capital to bring in a new investor, raising as much as \$150 million, which had drawn the attention of investors like Carlyle Group.

ChrysCapital has booked a profit in selling the stake, but not as stellar as its past exits from Infosys, HCL Technologies, Mphasis and Hexaware. According to past media reports, the fund had invested slightly over Rs 210 crore to build up the stake in the mid-tier IT services company, which was earlier called KPIT Cummins. When contacted, ChrysCapital declined to comment. However, the share sale helped ChrysCapital to close its \$900-million fifth and penultimate fund with an overall twofold return.

## Idea Cellular's loss widens as Jio hits hard

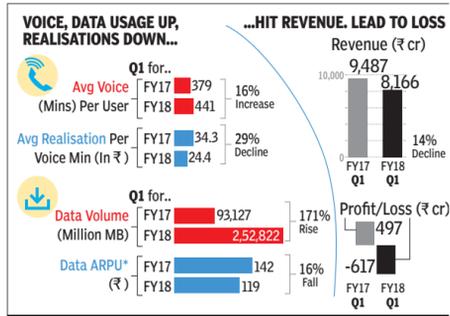
TIMES NEWS NETWORK

New Delhi: Idea Cellular on Thursday reported a widening loss at the end of the first quarter of this fiscal as high-pitched competition from Reliance Jio hit the company's business hard.

The Aditya Birla group company, which is working out a merger with Vodafone India to tide over the difficult times, reported a loss of Rs 617 crore in the April-June '17-18 period against a profit of Rs 497 crore in the same quarter last fiscal. Loss in the preceding quarter was Rs 430 crore.

Idea's loss comes at a time when Bharti Airtel, the country's biggest operator, reported a 75% dip in its first quarter profit earlier this week, again hit hard by Jio's aggressive tariff plans such as lifetime free voice and competitive

### JIO IMPACT



data prices. "The upheaval in the Indian wireless industry continued in the first quarter of 2017-18, despite the new entrant slowly migrating from 'free services' to 'paid services' but with heavily-discounted unlimited voice and data

pricing plans. Amid this market aggression, existing operators including Idea, also introduced similar competitive unlimited price plans, which is likely to result into decline in industry revenues," Idea Cellular said.

## Axis board approves fourth 3-year term for Sharma

TIMES NEWS NETWORK

Mumbai: Axis Bank's board on Monday approved a fourth three-year term for Shikha Sharma as MD and CEO with effect from June 1, 2018. The board's move, which comes nearly a year ahead of Sharma's term coming to a close, appears to be aimed at quelling speculation about the future leadership of the bank. The bank said that the board had taken the decision subject to compliance with prescribed formalities and receipt of regulatory app-

### APPOINTMENT IS FINAL

- Shikha Sharma named MD & CEO for third term, till June 2021
- Veteran banker's second term to end in June 2018
- Reportedly, she was sounded out by Tata Sons to head its fin-services verticals

roval. There had been speculation about Sharma continuing after reports that the bank had appointed search firms Egon Zehnder to identify CEO candidates for the board to consider. Axis Bank had responded

to the news, stating that the search for candidates was part of a process and it does not preclude Sharma from being reappointed. On Thursday in the conference to announce the acquisition of FreeCharge, Sharma said she was excited about the possibilities in financial services and was pleased with what she had achieved in Axis Bank. Sharma has over three decades of experience in the financial sector; a large part of which was with the ICICI group, where she began her career.

## ITC Q1 net jumps 7.4% to ₹2,561 cr

TIMES NEWS NETWORK

Kolkata: Diversified multinational ITC Ltd has witnessed a 7.4% jump in net profit to Rs 2,561 crore in the first quarter of this fiscal largely owing to tobacco, hotel and agri businesses. The FMCG business of the company has posted a marginal profit during the quarter. ITC's gross revenue for the quarter stood at Rs 13,722 crore representing a growth of 4.3% while profit before tax was at Rs 3,945 crore in the quarter.

The company said that it has delivered a steady performance against the backdrop of a challenging business environment marked by pressure on the legal cigarette industry, among other factors.

## HCL Tech outpaces TCS, Infosys and Wipro in Q1

TIMES NEWS NETWORK

Bengaluru: HCL Technologies' revenue rose to \$1.88 billion in the June quarter, a 2.6% sequential growth in constant currency and 3.7% in reported terms. Its net income declined 3.8% sequentially to \$377 million due to higher tax outgo and currency fluctuations.

The operating margin was flat at 20.1% - while the rupee's appreciation against the dollar worked against it, productivity gains partly offset that.

The company has maintained its full-year revenue growth forecast at between 10.5% and 12.5% in constant currency (which discounts the effect of currency fluctuations). This is higher than Cognizant's and Infosys' guidance for current fiscal. Cognizant expects its revenues to grow 8%-10% for 2017, while Infosys's growth is projected to be between 6.5% and 8.5%.

Chief financial officer Anil Chanana said the firm was optimistic about delivering on its guidance. He said HCL was implementing automation and AI in traditional services, and securing more deals in new growth areas

### HCL LEADS IN YEARLY GROWTH

Company	HCL	Wipro	Infosys	TCS
Revenue (\$bn)	1.88	1.97	2.65	4.59
Sequential growth (%)	3.7	0.9	3.2	3.1
Sequential growth (constant currency) (%)	2.6	0.3	2.7	2.0
Year-on-year growth (%)	11.4	2.1	6.0	5.2
Net profit (\$m)	337	339	541	923
Year-on-year growth (%)	10.3	-5.8	-0.4	-1.8

Sequential: Q1 FY18 vs Q4 FY17 | Year-on-year: Q1 FY18 vs Q1 FY17

\* Wipro's net profit is for the whole company, including its hardware business

like cloud, security and IoT as well as products and platforms. Chanana said the company completed a share buyback of Rs 3,500 crore during the quarter. Together with the dividend per share of Rs 2 this quarter, it demonstrates HCL's balanced capital allocation approach, he said.

Revenues from Americas grew 3.8% sequentially, while Europe continued to see softness, degrowing by 0.4%, mainly due to a BPO customer insourcing work. Among verticals, financial services led the pack, growing 5.3% as customers spent on newer areas like analytics, cloud and mobility. Public services and telecom declined 2.7% and 2.5% respectively. Engineering and R&D services posted robust growth of 7.9% sequentially and 34.7% over the same period last year

riding on digital transformation and product lifecycle management solutions.

In the quarter, HCL invested \$140 million into its IP partnership with IBM. The two companies will collaborate on the future roadmap, enhancement, innovation and new developments around digital, analytics, cloud and automation to serve the requirements of the modern digital enterprise.

HCL filed 36 patents in the quarter in next-generation engineering and platforms, across various areas such as IoT, machine learning, analytics, advanced automobile engineering, wireless devices and machine-to-machine communications. The firm has appointed former PwC India chairman Deepak Kapoor as independent director on its Board.

## Hind High Vacuum's equipment is used by ISRO, BARC, HAL and Titan

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When Prasanth Sakhamuri graduated from the Institute of Rural Management, Anand (IRMA), he wanted a career in the corporate world or in managing a rural development organisation. Joining the family business was the last thing on his mind.

"I did not want to work with my father (SV Narasaiah) at that stage in my life. So I did not show much interest. But my brother Nagarjun did. He was an engineer, was in the US for his studies, and had decided to return to work with my father," Sakhamuri recollects.

Sakhamuri joined the Gujarat Cooperative Milk Marketing Federation, the makers of the Amul brand. Soon after he joined, he happened to visit an artificial insemination facility of the National Dairy Development Board (NDDB). He no-

### 'US EMBARGO IMPACTED US FOR EIGHT YEARS'



Founder SV Narasaiah, with sons Nagarjun Sakhamuri and Prasanth Sakhamuri.

have in India," Sakhamuri says. In 1986, within a few months of graduating from IRMA, he joined the family business.

HHV, based in the Peenya Industrial Estate, is a multi-technology company. Its vacuum-based metallurgical equipment is used for purposes like heat treatment, brazing, induction casting and melting, and diffusion bonding of dissimilar metals, and serves the space, aerospace, and defence sectors. HHV later added optical coatings, high-end watch crystals, and thin film deposition equipment to its manufacturing portfolio.

In 1986, the company had a turnover of Rs 1.5 crore; last fiscal, it was Rs 130 crore. It has an employee strength of 600. Its major clients include Indian Institute of Astrophysics, ISRO, Bhabha Atomic Research Centre (BARC), HAL and Titan.

There was a period of eight years when the company struggled. This was fol-

lowing India's nuclear test in 1998, when the US imposed an embargo. HHV was a key supplier of vacuum chambers and equipment to BARC and the embargo impacted those orders. "We could not expand in the western market. At the same time there was no access to foreign equipment and technology," Sakhamuri says.

Today, HHV is part of the prestigious Thirty Metre Telescope (TMT) project, a \$1.5-billion astronomical observatory with an extremely large telescope, funded by scientific organisations in Canada, China, India, Japan and USA. HHV has been entrusted to make thin film deposition equipment to be used for the coating of the telescope's mirror.

The former President APJ Abdul Kalam visited HHV's Peenya facility when the company built what was then the largest vacuum heat treatment facility, for the Mirage 2000 aircraft engines.

That got me wondering why I am not part of the unique capability that we



company name being mentioned in so remote a location!

"That got me wondering why I am not part of the unique capability that we

## Samsung poised to unseat Intel as king of microchips

Seoul: Intel's more than two decade-long reign as the king of the silicon-based semiconductor business recorded 8 trillion (\$7.2 billion) in operating income on revenue of 17.6 trillion won (\$15.8 billion) during the April-June period.

Intel, which reports its quarterly earnings later Thursday, is expected to report \$14.4 billion in quarterly revenue. On an annual basis, Samsung's semiconductor division is widely expected to overtake Intel's sales this year, analysts at brokerage and market research firms say.

oil was for the 20th century. Samsung said its semiconductor business recorded 8 trillion (\$7.2 billion) in operating income on revenue of 17.6 trillion won (\$15.8 billion) during the April-June period.

are the keys to understanding Samsung's ascent as the new industry leader. Manufacturers are gradually packing more and more memory storage capacity into ever smaller mobile gadgets, as increased use of mobile applications, connected devices and cloud computing services drive up demand and consequently prices for memory chips, an area dominated by Samsung. Since 2002, Samsung Electronics has been the largest supplier of memory chips, called DRAMs and NANDs. AP