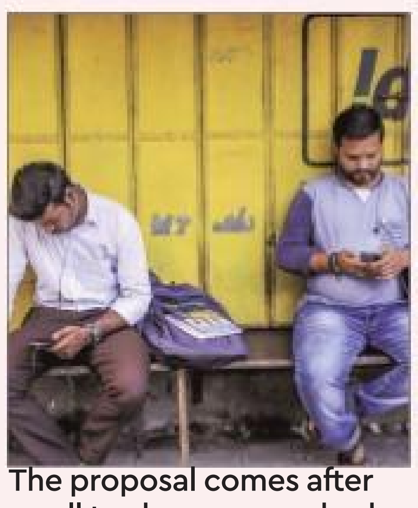
Govt mulls setting up regulator to settle e-comm disputes

SHRUTI SRIVASTAVA
New Delhi, November 6

GOVERNMENT IS EXAMINING the feasibility of setting up a regulatory authority to settle disputes related to e-commerce, a top government official said, amid a raging battle between big online retailers and mom-and-pop stores.

The proposal being considered comes after small traders approached the government with allegations of predatory pricing and deep discounting by Amazon and Flipkart. They allege that the US giants are pricing them out of the market.

"We are examining the need for a regulator to look into e-commerce issues once the policy is implemented," Guruprasad Mohapatra, secretary of the department for promotion of industry and internal trade, told *Bloomberg News* in an interview in New Delhi. "We plan to implement the policy within this financial year."



The proposal comes after small traders approached the government with allegations of predatory pricing by Amazon and Flipkart

Prime Minister Narendra Modi's administration is under pressure from small traders, a traditional support base for the ruling Bharatiya Janata Party, to act against the big online retailers. In their defence, online retailers say e-commerce has the potential to create millions of jobs in India and give opportunities to smaller businesses.

The policy will also address with use of data generated by the retailers and its storage on servers in India, Mohapatra said.

The new policy is in the works for over a year now and has become a contentious issue in trade-talks between the US and India. In the past too, online retailers have been on the receiving end when the South Asian nation implemented new rules that prohibited exclusive product offerings and deep discounts on them.

US secretary of commerce Wilbur Ross, during his visit early last month said India needed to balance the interests of small retailers and companies operating in the sector.

The Confederation of All India Traders, a supporter of the ruling party, has been seeking tough laws for e-commerce operators in the country in the new policy. It has been spearheading the move for a regulator and is canvassing for heavy penalties for violations.

—BLOOMBERG

NCLT approves scheme of amalgamation for HUL-GlaxoSmithKline Cons merger

FE BUREAU
Mumbai, November 6

THE MUMBAI BENCH of the National Company Law Tribunal (NCLT) has approved the scheme of amalgamation for the merger of Hindustan Unilever (HUL) and GlaxoSmithKline Consumer Healthcare. HUL's board had in December 2018 approved the merger of GlaxoSmithKline Consumer Healthcare with the company.

"We wish to inform you that the Hon'ble National Company Law Tribunal, Mumbai Bench, vide its order dated 24 September, 2019, has sanctioned the aforesaid scheme. This order is subject to sanction of the scheme by the Hon'ble National Company Law Tribunal, Chandigarh Bench," the firm stated on Wednesday.

HUL's board had in December 2018 approved the merger of GlaxoSmithKline Consumer Healthcare with the company

According to the announced plan, the merger of GlaxoSmithKline Consumer Healthcare with HUL would be on a basis of an exchange ratio of 4.39 HUL shares for each GlaxoSmithKline share. This would peg the valuation of GlaxoSmithKline's consumer healthcare business at ₹31,700 crore. Following the issue of new HUL shares, Unilever's holding in HUL will be diluted from 67.2% to 61.9%, the firm had stated.

"Since all the requisite statutory compliances have been fulfilled the company scheme petition... filed by the petitioner company (HUL) is made absolute," the order stated. GlaxoSmithKline Consumer Healthcare owns key brands in the fast-moving-consumer-goods (FMCG) space, including the health drinks Horlicks and Boost. HUL is one of the biggest players across Indian FMCG value chain. The merger includes all the operations within GlaxoSmithKline India's consumer healthcare vertical, including a consignment selling contract to distribute the company's over-the-counter and oral health products in India.

With the merger, HUL aims to drive cost synergy as a result of a more streamlined supply chain operation, distribution network and infrastructure. HUL's shares ended 0.36% up at ₹2,179.90 on the BSE.

India's biggest shopping season wasn't all that big: BofAML

THE FESTIVAL OF Diwali is supposed to herald India's biggest shopping season of the year. Purchases did happen, but not a lot, according to a Bank of America Merrill Lynch report.

More than 90% of storekeepers indicated footfalls were lower than the last year's festival period, according to the report, based on analysts' visits to more than 120 retail outlets in the financial capital of Mumbai in the week leading to Diwali, the country's equivalent to Christmas.

"Despite the festive season, we observed several empty shelves and early store closures," said Sanjay Mookim, an equity strategist at the bank. "Mumbai is not India, and our sample is arguably small. Yet, we think our conversations help create a useful reference for recent festive season demand trends."

India is witnessing a sharp slowdown due to waning consumption and businesses had pinned their hopes on Diwali for a revival in sales. Purchasing managers surveys on manufacturing and services activity for October indicate that demand in the economy is still pretty weak. **—BLOOMBERG**

Indian carriers to add up to 2,380 aircraft in 20 yrs: Boeing

FE BUREAU
New Delhi, November 6

THE BOEING COMPANY forecasts that domestic carriers will add up to 2,380 aircraft to their fleets over the next 20 years, the US planemaker said on Wednesday.

The figure released by Boeing in its annual commercial market outlook (CMO) 2019 is 80 aircraft more than it predicted last year. According to the CMO, the factors such as high domestic passenger traffic growth, new long-haul opportunities and infrastructure development will drive this demand.

"To operate and maintain the expanding fleet, operators are expected to spend $440 billion on aviation services, including ground, station and cargo operations, along with maintenance and engineering," the India CMO said.

The single-aisle planes will comprise 87% of the future demand as airlines look to meet the requirements for domestic network connections and service to new airports.

Currently, European aircraft manufacturer Airbus SE has the dominant market share in the country. Low-cost carrier IndiGo, which operates an all-A320 fleet, ordered 300 Airbus aircraft last month. Domestic passenger traffic grew 15-20% y-o-y for more than four years until December 2018 when it slipped to 3% y-o-y in CY19 due to grounding of Jet Airways.

Meanwhile, Boeing expects its grounded B737 Max aircraft to return to service by March next year. "The Boeing Company has tested over 800 test flights (on B737Max aircraft), and the company is working on improving the training process. The eventual return will depend on regulators around the world," said Darren Hulst, deputy vice-president of commercial marketing, Boeing.

In March, the directorate general of civil aviation had grounded 13 B737 Max aircraft belonging to Spicejet and Jet Airways following two fatal crashes involving the aircraft overseas.

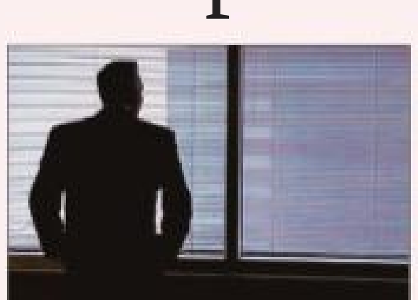
'70% global family businesses have no formal succession plan'

FE BUREAU
Hyderabad, November 6

MORE THAN HALF of global family chief executive officers (CEOs) do not have a formal retirement plan and 70% of global family businesses do not have a formal succession plan. With people living longer, increasing demographics and societal changes, family businesses in different parts of the world are exposed to new challenges which make their traditional methods of succession and governance no longer appropriate, says a survey report.

Globally, 48 universities conducted the survey across 33 countries, covering over 1,800 family businesses, under the umbrella of STEP (Successful Transgenerational Entrepreneurship Practices) project, to reflect upon the changing demographics and how they impact family business governance, succession, entrepreneurial orientation and performance. Thomas Schmidheiny Centre for Family Enterprise, Indian School of Business – being the only member from India – conducted the survey in India.

The report, *The impact of changing demographics on family business succession planning and governance* is co-authored by Andrea Calabrò, (STEP Global Academic director & IPAG Family Business Institute) and Alfredo Valentino (STEP Global Research Champion & ESCE International Business School) and sponsored by the KPMG



Globally, 48 varsities conducted the survey across 33 nations, covering over 1,800 family businesses

Enterprise Center of Excellence for Family Business.

"Many of the Indian family businesses were incorporated in the late 1980s and early 1990s when economic reforms were introduced. Most of these business founders find themselves at the brink of retirement with no planned succession. However, the challenges of retirement and succession are not limited to India. The STEP 2019 Global Family Business Survey shows that family businesses in different parts of the world are also exposed to these challenges," said Nupur Pavan Bang, associate director, Thomas Schmidheiny Centre for Family Enterprise, ISB, in a statement.

About 70% of global family businesses do not have a formal succession plan though 47% of global family businesses have a succession plan in case of unexpected events. While this is good, it is not enough to ensure the long-term sustainability of family businesses, it said. Availability of talent is the main concern of family business leaders, globally.

RESULTS CORNER

Fortis Healthcare Q2 net profit at ₹124 crore

FORTIS HEALTHCARE ON Wednesday reported a consolidated net profit of ₹124.04 crore for the September quarter. The healthcare major had reported a net loss of ₹141.99 crore in the July-September period of 2018-19. Revenue from operations rose to ₹1,212.17 crore against ₹1,139.90 crore in the same period of previous fiscal. "The company continues to witness progressively improving quarters in both the hospitals and the diagnostics business," Fortis Healthcare Board chairman Ravi Rajagopal said.

This will lay emphasis on looking at the business holistically in its various elements. **—PTI**

Cipla Q2 net up 25% at ₹471 crore

DRUG FIRM CIPLA on Wednesday posted 25% increase in consolidated net profit at ₹471 crore for the second quarter ended September 30, on the back of robust sales across domestic and international markets. The Mumbai-based company had reported a profit of ₹377 crore during the quarter FY19.

Total revenue from operations rose to ₹4,396 crore for the second quarter against ₹4,012 crore in the year-ago period, Cipla said in a regulatory filing.

The company's growth accelerators remain on track, he added. **—PTI**

Lupin posts net loss of ₹123 cr in Sept quarter

DRUG MAKER LUPIN on Wednesday reported a consolidated net loss of ₹123.44 crore for the second quarter ended September 30, impacted by provisioning for one-time payment to settle a lawsuit in the US and loss in divestment of injectables business in Japan. The Mumbai-based company had posted a net profit of ₹288.45 crore in the July-September period of 2018-19. Total revenue from operations stood at ₹4,359.65 crore for the second quarter. **—PTI**