



# RUKMINI DEVI

## Institute of Advanced Studies

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- Category 'A' Institute
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### News Digest

Topic :	News Digest
Date of event :	August 19, 2011
Aim of the Event	<p>Knowing the news is considerably important for MBA students. It makes them aware about the happenings in and around the world which would help them in decision making in the future. The News Digest aimed at :</p> <ul style="list-style-type: none"><li>• Enhancing the current awareness of students</li><li>• Improving their communication skills</li><li>• Enhancing their confidence level</li><li>• Inculcating decision making skills</li></ul>
Description of the event	<p>Students were divided into groups in advance and all the groups were given themes for news digest. The following themes were assigned to them:</p> <ul style="list-style-type: none"><li>• Finance</li><li>• Marketing</li><li>• International Business</li><li>• General</li><li>• Aviation/ I.T</li></ul>

- Human Resource Management

All the groups presented on their allocated themes.

### **INTERNATIONAL BUSINESS : FOREIGN DIRECT INVESTMENT**

- Govt. has cleared more than 18 pending decisions on FDI.  
Some of them are as follows: -
- Govt. has allowed Walt disney for FDI for Broadcasting & downlinking in India.
- It has also given permission to Dish TV to transfer shares to carry out business of telecommunication Equipments.
- Govt. has also cleared the proposal of Pipavav Defence & Offshore Engg. Company to infuse 816.20mn in company.
- Govt. has cleared proposals worth 1.23Bn based on the recommendations of the Foreign Investment Promotion Board (FIPB).

### **INTERNATIONAL BUSINESS : GOOGLE TAKEOVER MOTOROLA**

- On Monday Google announced that it would acquire Motorola Mobility Handlings.
- Acquisition has been approved by both Boards.
- Google's Android smart phone operating system, introduced in 2007, has been adopted by dozens of handset manufacturers and now commands a dominant share of the smart phone market. The purchase of Motorola positions Google as a major player in handset manufacturing for the first time

- Its Google largest ever for an acquisition ,i.e.,
- 63% above the price of Motorola Mobility shares on Friday.
- Google offers \$40 per share in cash or \$12.5 billion
- “Our acquisition of Motorola will enable us to better protect Android from anti-competetive threats from Microsoft, Apple and other companies.”
- “This acquisition will not change our commitment to run Android as open platform. Motorola will remain a license of Android and Android will remain open. We will run Motorola as a separate business.”

### **INTERNATIONAL BUSINESS**

#### **IHCL Plans 8 More Hotels across the Globe by 2014**

- The Indian Hotels Company Limited (IHCL) and its subsidiaries are collectively known as Taj Hotels Resorts and Palaces and is recognised as one of Asia's largest and finest hotel company.
- Incorporated by the founder of the Tata Group, Mr. Jamsetji N. Tata, the company opened its first property, The Taj Mahal Palace Hotel, Bombay in 1903. The Taj, a symbol of Indian hospitality, completed its centenary year in 2003.
- Taj Hotels Resorts and Palaces comprises 93 hotels in 55 locations across India with an additional 16 international hotels in the Maldives, Malaysia, Australia, UK, USA, Bhutan, Sri Lanka, Africa and the Middle East.
- Indian Hotels Company Ltd (IHCL) plans to add eight more hotels across the globe by 2014, said its Chairman,

Mr Ratan Tata, at the company's annual shareholders' meeting on Friday.

- IHCL runs the Taj brand in the luxury five-star segment, the Vivanta brand in the four-star segment, Gateway Hotels in the three star-segment and Ginger in the budget space.
- Mr Tata said that The Taj Sea Rock in Mumbai is likely to be completed by 2014 and the Taj Exotica that is coming up in Andaman Island is likely to be ready by 2013.
- IHCL posted a strong first quarter result for FY12 with the net profit in April-June jumping to Rs 20.31 crore aided by higher occupancies and a rise in other income.
- He was confident that US operation will make profit in the next 18 months.
- The company is going to expand their business in Sri Lanka and the destinations where it has not been yet present.
- IHCL has three properties in Sri Lanka – Taj Samudra in Colombo (which it said will be going under massive refurbishment to take it to the Taj luxury brand level), Taj Airport Garden Hotel Colombo (that has been re-branded as The Gateway Hotel) and Taj Exotica in Bentota which has been re-branded as Vivanta by Taj).

#### **GENERAL AWARENESS**

#### **HEADLINE- DOWNFALL OF RANK-1 TEAM (INDIA v/s ENGLAND)**

- India will play to salvage pride, while England chase whitewash.

- India is already down by 0-3 matches in England test series and 4<sup>th</sup> match is only way to save their pride.
- The last test match- “oval test” is only hope to save them from whitewash, if they lose then England will take possession of rank- 1.
- M.S. Dhoni as a captain said that they didn't get enough time for rest, as their schedule was made so hectic.
- BCCI (Board of Control for Cricket in India) is main reason behind this- as they made matches schedule so tight, due to which many players even got injured.
- As said by Sourav Ganguly: Indian cricket is at juncture where a lot of seniors are on their last leg, and it is important for the young members to start their international career on a winning note. Because in our major countries you have to be at the peak of your cricketing and physical abilities.

#### **GENERAL AWARENESS**

##### **Google-Motorola Mobility Holdings Inc,**

- Challenges posed to Google that arises with deal.
- HTC and Samsung are part Google's client portfolio.
- With this deal Google may become a competitor to its major clients.
- Once securing patents from Motorola, Android will be protected from anti-competition threat from Apple, Microsoft and other telecom players.
- After acquiring Motorola Mobility Holdings Inc, Google may pose a strong competition to Apple with advancement in technology.

#### **FINANCE**

##### **Coal India: India's Biggest Company**

- Coal India ended Reliance Industries four and a half year reign at the top.
- It has a soaring demand, high commodity prices and a monopoly situation which lifted its shares.

#### Achievements of Coal India

- In first quarter, Company has achieved 64% jump in net profit which is remarkable.
  - Coal India was the only stock which was steady and gave good returns to investors.
  - It was due to adoption of Modern Technologies in some comparatively primitive mines of Coal India.
- Concerns for the Company
- The Company has three major concerns relating to land acquisition, environment clearance and forest clearance due to which lot of projects are getting delayed.
  - It is not possible to achieve power generation target if Coal Production target is not achieved.

#### **Realty estate stocks close to 2008 lows.**

- Real estate stocks close to level seen after Lehman collapse in September, 2008.
- Sensex closed 108 points down.
- Most of the realty stocks are down.
- Real estate index of BSE was the worst hit with 5.4% down.
- Rising costs, rising housing finance rates and limited fund flows from banks to real estate sector are some major causes for the downfall of Real estate sector.

- Stocks of DLF and UNITECH are very low as compared to September, 2008.
- UNITECH as 35% down and DLF is 4.5% down since that era.
- Stocks of SHOBHA developers and PARSVNATH are more than double of what in 2008.
- UNITECH is the major who responsible for downfall.
- Involvement in the telecom sector and also the alleged 2G spectrum scam is weighing on the stock of UNITECH

## **MARKETING**

### **Packaging puts the squeeze on Indian consumer firms**

- Indian consumer goods firms, already struggling with mounting raw material prices, are increasingly under pressure to manage rising packaging costs that threaten to hurt wafer-thin margins in a highly competitive market
- With prices of kraft paper, aluminium foil, adhesives for corrugated boxes, plastics jumping as much as 25% in the past three months, firms such as Hindustan Unilever , Colgate Palmolive India , Dabur , Emami , Marico and Godrej Consumer have had a tough time safeguarding profits
- A lot of companies are trying to hedge packaging material costs but if it keeps going up they might not be able to accommodate it for long and that will force them to hike prices again.
- Margins of consumer good companies have been taking a hit due to rising packaging costs and it looks like it will continue to affect them until crude prices ease as most materials are crude linked
- Harsh Agarwal, director, Emami said, “Packaging prices for us have increased by up to 3-5%. So the idea is to cut costs and we do that by sourcing products locally as much as possible and try to have packaging units for whichever materials possible, near our plants”
- Colgate Palmolive India(a unit in Goa) signed an exclusive

long-term agreement with packaging products maker Essel Propack to set up a unit in Goa to cater to the oral care firm's needs.

How to overcome the problem

- Reducing operating costs is what most of the companies are concentrating on. This includes ad spends to a large extent along with other costs such as staff etc to maintain their margins.
- Switching over to other easily available cheap packaging materials.
- Having the packaging units close to the area of product manufacturing.

#### ANALYSIS

This session was just another step towards the holistic development of the students and helped students in gaining insights of the various subjects and the current events associated with the subjects. Also, after the presentation the students giving the presentation handled the queries of the audiences. The whole session was highly informative and useful to students. It also helped in improving the communication skills and analytical abilities of the students