

Business at a glance

Tata plans Rs 10,000 cr rights issue to repay Corus debt - Tata group company Tata Steel is coming out with a mega rights issue of about Rs 10,000 crore to repay the 'bridge loans' raised for funding acquisition of British steel behemoth Corus.

"The proceeds will be used to repay bridge loans taken for acquisition of Corus. Tata Steel UK has raised 3.15 million pounds of debt for financing the acquisition," said a Tata Steel spokesperson.

LIC unveils Rs 3 billion bond sale - Indian mortgage lender LIC Housing Finance is unveiling a 3 billion rupees bond issue on Tuesday, merchant bankers associated with the deal said.

The 5-year bond pays 9.35 per cent interest annually and is "AAA" rated by CRISIL and Care.

The issue closes on Wednesday and the merchant bankers to the issue are IDFC, Axis Bank, Citibank and ICICI Bank, they said

Hyundai scouts for partners in HCVs - As part of its local-global India strategy, Korean auto major Hyundai is turning its Indian car operation into a production hub for all small cars worldwide.

The company plans to launch another small car, tagged a B-segment model, called the i20. Like the just-launched A-segment i10 and the Santro, the i20 will be made exclusively in India for both local and global markets. Hyundai's third small car Getz is made in India and Korea.

Gitanjali Gems enters into JV with ARMO Netherlands Finance -Gitanjali Gems Ltd and ARMO Netherlands Finance BV plan a joint venture by subscribing equal number of equity shares of Morellato India Pvt Ltd.

The joint venture will carry on the business of importing, wholesaling, distribution and manufacturing of watches, leather goods, writing instruments, jewellery and other products under the brand names Morellato.

At 10 am, Gitanjali Gems shares were up 3.36 per cent at Rs 387.90 on BSE.

ING Mutual launches global real estate fund - ING Investment Management India will launch ING Global Real Estate Fund, an open ended fund of funds scheme, on Nov 20. The scheme closes on Dec 14.

The scheme will primarily invest in the Cayman Islands registered ING Global Real Estate Securities fund that seeks to provide investors with diversified returns consisting of income and capital appreciation over time. This will be India's first open ended real estate fund and the first fund to offer Indian investors access to global property markets.

Retailers eat humble pie

While the wholesaler reap benefits from the schemes offered by companies, the petty show owners are left out



Petty shop at Gollahalli

pic by author

RICHY D ALEXANDER

Petty shop owners and retailers are at a losing end because they do not get any profit from the wholesalers. Though companies propose discounts and other offers for these petty shop owners, they do not benefit out of them. The main reason for this is that the small shop owners take only few products from the general merchants. Last month, for the festival of Diwali, Brook Bond offered a gold coin for all merchants. While the wholesalers took advantage of this scheme, the small shop owners did not benefit in any ways.

A similar case happened when Nandini and Godrej cattle feeds announced some offers and prize to all shop owners, even a single retailer did not get any

thing. The companies are not aware of this fact. The general merchants say that the retailers take only a few products from them and there are very tight profit margins for the same. So it is not possible that the general merchants give discounts or offers to all small

petty shop owners. Another fact is that some of the customers buy products directly from the wholesalers. They cannot avail these discounts either as according to the general merchants they cannot give offers to all the customers. The reason for this is that any discount or offer announced by the companies are limited in numbers. It

aims at making the wholesalers push the sales for the companies by selling more to the retailers but it is ironic that while the wholesalers benefit due to the retailers buying more, the retailers do not gain anything out of it.

Last month, for the festival of Diwali, Brook Bond offered a gold coin for all merchants

India lacking in airline infrastructure

Government of India should rethink about the foreign investments in aviation industry

RICHY D ALEXANDER

Passengers are not satisfied with the airline services in India. But when the private companies entered the domestic airline market

the situation changed. Despite of privatization of aviation industry to a great extent, we still need more domestic airline services. According to Sir Richard Branson (U.K based Virgin Airlines) India has lack of infrastructures. He is planning to introduce Virgin Airlines in the country but the application is pending with the Government of

Indian. The main

issue with the Indian government is that the airline market is not open to true competition. At present the Indian Government does not allow international airlines to acquire a direct or indirect stake in domestic airlines. There are total eleven domestic airlines in India, namely,

Air India, Indian Airlines, Jet Airways, Air Sahara, Kingfisher Airlines, Air Deccan, GoAir, Spice Jet, IndiGo, Jagson Airline and Paramount Airways. Throughout the world there is a wait for India's

Indian aviation ministry should rethink about why Sir Richard Branson plans to invest in India. Indian government is not yet ready to make a decision on Richard Branson's interest. If the Indian

government gives more attention to aviation, airline sector can become the top booming sector in the country. The passengers are also agree with the lack of infrastructures for airlines in India. Government of India's ministry of aviation cannot give an exact reply to the foreign investors. The state owned flight service India Airlines has many drawbacks. The eleven flight services in our country are not sufficient for the passengers. India

still has lands unexplored and it should concentrate on the infrastructures.

We should open the aviation market for competition. It is the high time to think about new strategy for inviting international airlines



Aviation industry in India flying towards a boom

Courtesy Google Images

Kumar Mangalam Birla - The rising star of India

POOJA GAUTAM

Kumar Mangalam Birla, is among the richest persons in India and the eighth youngest billionaire outside India according to the Fortune magazine. Mr. Kumar Mangalam Birla is the Chairman of the Aditya Birla Group, which is among India's largest business houses. Among its major companies in India are Grasim, Hindalco, UltraTech Cement, Aditya Birla Nuvo and Idea Cellular. Its Joint Ventures include Birla Sun Life (Financial Services) and Birla NGK (Insulators).

While Mr. Birla is the Chairman of all of the Group's blue-chip companies in India, he serves as a Director on the Board of the Group's International Companies spanning Thailand, Indonesia, Malaysia, Philippines and Egypt. The Group's operations extend to



Kumar Mangalam Birla
Courtesy Google images

Canada, China, Laos, USA, U.K. and Australia as well.

Born on June 14, 1967, Kumar Mangalam Birla spent the early of his life in Calcutta and Mumbai. He is a Chartered Accountant and did his MBA (Masters in Business Administration) from the London Business School, London. Kumar Mangalam Birla took over as Chairman in 1995, at the age of 28, after sudden demise of his father, noted industrialist Aditya Birla, after whom the group is named.

When Kumar Mangalam Birla assumed the mantle at the Aditya Birla Group, Doubts were raised about his ability to handle a giant business house, he however, proved his skeptics wrong. He brought in fundamental changes, changed business strategies, professionalised the entire group and replaced internal systems. Kumar Mangalam reduced his group's dependence on the cyclic commodities sectors by entering consumer products. Under Kumar Mangalam Birla's leadership, the Aditya Birla Group, apart from consolidating its position in existing businesses, also ventured into sunrise sectors like cellular telephony, asset management, software and BPO. Kumar Mangalam Birla has won several honors. Major among them include

The Business Leader of the Year (2003) by The Economic Times, Business Man of the Year - 2003 by Business India, and The Ernst & Young Entrepreneur of the Year - India in 2005