



Boards okay Indian Bank, Allahabad Bank merger

CHENNAI
The board of Indian Bank gave its in-principle approval for the amalgamation of Allahabad Bank with the former. Similarly, the board of Allahabad Bank gave its in-principle nod on Monday. Both the banks expect the merger to be completed by March 31, 2020. Besides, the Indian Bank board also accorded its approval for capital infusion of up to ₹5,000 crore by the Centre through preferential allotment, the bank said in a regulatory filing.

IOB to raise ₹800 crore through issue of bonds

CHENNAI
Indian Overseas Bank said it proposes to raise Tier-II capital by issue of BASEL-III Compliant Tier-II bonds via a bond issue at a size of ₹500 crore with green shoe option of ₹300 crore, aggregating ₹800 crore on a private placement basis. In May, its board had approved the bank's capital raising plan for FY20 including the issue of such bonds up to a maximum of ₹1,500 crore.

Laurus Labs to acquire South African firm

HYDERABAD
Pharmaceutical company Laurus Labs on Wednesday said it would acquire 100% shares of Phekolong Pharmaceuticals Pty Ltd, a wholly owned subsidiary of Pharmicare Ltd. t/a Aspen Pharmicare, South Africa. The South African Rand 75,000 purchase will provide Laurus access to the South African public antiretroviral (ARV) sector, which manages the world's largest public ARV programme.

AMC stocks rally in lacklustre market

In 2019, HDFC AMC and RNAM surged 75% and 47% respectively, compared to Sensex's rise of 1.37%

ASHISH RUKHAIYAR
MUMBAI

The broader stock markets are witnessing weakness with extreme volatility on account of a mix of global and domestic negative news flow but the country's two listed mutual fund entities are seeing their stocks gain strong ground.

Reliance Nippon Asset Management Company (RNAM) and HDFC Asset Management Company are among the biggest mutual fund houses in India and made their debut on the bourses in 2017 and 2018, respectively.

According to the Association of Mutual Funds in India (AMFI), HDFC AMC is the largest fund house with average assets under management (AUM) of ₹3.63 lakh crore,

On a roll
In the last six months, when Sensex lost a little over 4%, shares of HDFC AMC and Reliance Nippon AMC gained 76.23% and 20.42%, respectively

Name	YTD*	3-month	6-month	Returns in %
HDFC AMC	74.97	46.14	76.23	140.16
Reliance Nippon AMC	46.51	5.64	20.42	(7.44)
Sensex	1.37	(6.36)	(4.02)	-

Source: BSE *Year-to-date

while Reliance Nippon is at the fifth slot with an AAUM of ₹2.23 lakh crore.

While the shares of HDFC AMC has more than doubled gained 140.16% since listing, Reliance Nippon has outperformed the Sensex by a wide margin in the recent past. In 2019, when the Sensex has gained a paltry 1.37%, shares of HDFC AMC surged nearly

75% while Reliance Nippon AMC rose nearly 47%.

Further, in the last six months when the Sensex lost a little over 4%, shares of HDFC AMC and Reliance Nippon AMC gained 76.23% and 20.42%, respectively.

At the current market price of ₹2,641.75, shares of HDFC AMC are trading close to their 52-week high of

₹2,697.45.

Meanwhile, shares of Reliance Nippon AMC have recently touched their 52-week high of ₹289.05, though the last few days have seen the shares witness selling pressure as Reliance Capital has been diluting its stake in the company.

Exiting MF business

Incidentally, Reliance Capital is completely exiting the mutual fund business, having sold a large chunk of its holding to Nippon Life Insurance Company and thereafter selling its residual stake through offer for sales.

In its report, global financial major Morgan Stanley said it was bullish on Indian mutual funds as there is a huge structural opportunity for mutual funds to grow in

India. "India's total and equity mutual fund AUM to GDP was 13% and 6% as of FY18 versus global averages of 62% and 35%. The share of equity mutual funds has been rising in India's growing financial savings, and so has individual investors' share in AUM. Longevity and predictability of growth are improving with strong growth in AUM from smaller cities and inflows coming via monthly plans."

"Our view is that given the stage at which mutual funds are in India today, the long-term compounding opportunity is significant, although it won't be linear," it added, while forecasting a 23% CAGR in equity AUM for the industry over the next 10 years and a 20% CAGR over the next 20 years.

Indian tea exports to Iran double to 17.7 million kg, but concerns remain

'Higher prices and increased shipments of orthodox teas led to improved show'

INDRANI DUTTA
KOLKATA

Amid tensions in West Asia, India has managed to raise tea exports to Iran, doubling its shipment volume to 17.7 million kg between April and July 2019, from a year earlier.

This has happened when overall tea exports have remained flat at 73.2 million kg between April and July 2019 against 73.4 million kg between April and July 2018, with exports changing marginally to most destinations.

Unit prices of Indian teas, too, rose to ₹282.9 against ₹197.6 and \$4.1 against \$3.5 for the period under review.

Tea exports were valued at ₹1,676.7 crore against ₹1,491.2 crore with improved



teas led to the improved show at Iran," he said.

Over the years, several measures have been taken to woo the over 100 million kg Iranian tea market.

In recent times, the Commerce Ministry and tea industry have jointly taken several initiatives, including participating in buyer-seller meets in Tehran to expand the network. India also has seller-meets with visits to tea estates to build trust on issues such as good manufacturing practices.

"These [initiatives] have led to increased exports," said Sujit Patra, secretary, Indian Tea Association.

Merchant exporters are wary about raising a toast to

Iran exports. Their concerns arise out of the existing rupee-rial export mechanism pursued for exports to Iran, and stem from the U.S. economic sanctions on Iran and its restrictions on dollar trade with the country. In 2019, methods like advance payment and forward contracts were made to ease exports of certain commodities, including tea.

Reserves built up through prior oil imports were converted to rupee to help exports. These reserves were now running out and if tensions continued, they would cast a shadow on India's most promising orthodox export market by next year, merchant exporters said.

Colliers buys majority stake in Synergy

SPECIAL CORRESPONDENT
BENGALURU

Toronto-based commercial real estate services and investment management consultancy, Colliers International, has acquired a controlling stake in Synergy Property Development Services.

The merged entity would create one of India's top players in the commercial real estate (CRE) space.

Responding to a query, from *The Hindu*, on the size of the deal, David Hand, CEO, Asia Pacific at Colliers International, said, "We have acquired a majority stake, close to 80%, in Synergy. The deal involves a financial transaction, however, we are not able to reveal the size of it."



Linguistic expert: Alexa should be a native citizen, says Amazon's Rohit Prasad. *REUTERS

Amazon's Alexa now speaks Hindi, Hinglish

More local languages may be added

SPECIAL CORRESPONDENT
NEW DELHI

Amazon on Wednesday announced support for Hindi and Hinglish for its voice assistant Alexa.

With this update, users in India will be able to interact with Alexa using Hindi (and Hinglish) as opposed to only English at present.

Till now, Alexa, which was launched in India in 2017, was able to understand and pronounce names of popular places, names and songs in regional languages, including Hindi, Tamil, Telugu, Marathi and Punjabi, but supported commands only in English.

"Our goal is that Alexa should be a native citizen. With this update, Alexa can now understand customers speaking to her completely in Hindi or Hinglish, in multiple contexts and varied regional accents and dialects," said Rohit Prasad, vice president and head scientist, Alexa AI, Amazon.

Linguistic diversity

Stating that India had uniquely challenged the firm's AI teams with its cultural and linguistic diversity, Mr. Prasad added that many Indian users contributed to Hindi development through

the Cleo skill on Alexa. He also indicated that more regional languages could be added to Alexa in the future.

"In India, pronunciation, diction and accents in Hindi are different across the country even if the language being spoken is the same... With today's launch, Alexa becomes more local. Alexa will not only understand and respond in Hindi or Hinglish but is also armed with knowledge about topics that interests users in the country," said Puneesh Kumar, country manager, Alexa Experience and Devices, Amazon India, said.

Amazon said about 500 skills – which is the term for various things that Alexa can do such as playing music, bringing up news, stories or giving weather forecasts – are available in Hindi and more will be added.

Mr. Prasad said overall, there were over 90,000 Alexa skills of which about 30,000 were India-specific.

Alexa, which competes with digital assistants such as Apple's Siri and the Google Assistant, powers the Amazon Echo range of home-assistance devices besides products from brands such as Bose, MyBox, and Syska.

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