

Samsung's colossal challenge

The death of its iconic promoter, Lee Kun-Hee, raises questions over how long the *chaebol* can maintain its gigantic footprint in the global electronics industry

DEVANGSHU DATTA
New Delhi, 27 October

The death of Lee Kun-Hee last week, after a prolonged illness, sparked turmoil in the \$375 billion Samsung Group. The 78-year-old Lee had taken over the giant *chaebol* (conglomerate in Korean) in 1987, after the death of his father, Lee Byung-chull, who founded Samsung in 1938.

In the 1980s, Samsung was primarily a noodle-trading and trucking business. Kun-Hee turned it into an engineering giant. Today, Samsung is the global leader in mobile phones, with a gigantic footprint across many other electronics segments. It has over 76,000 active patents, in cutting-edge electronics and associated areas, like special glasses. This is quite apart from its shipbuilding and heavy engineering activities.

Kun-Hee was worth over \$20 billion when he died. About \$16 billion is the value of the stakes in various Samsung companies. His son and probable successor, Jay Y Lee, owns significant stake across Samsung Group in his own right. His two daughters also hold stakes.

Jay has done prison time. He has cases under trial for forcing a corporate merger, and has been indicted for accounting fraud and stock manipulation. He also faces charges in an ongoing bribery case that triggered the ouster of former president, Park Geun-hye. In addition to the track record, Jay must contend with inheritance tax, which could force the sale of part of the family stake. Hence, traders and investors are churning shares in various Samsung group companies.

This is par for the course in Korean business circles. Only the scale is unusual. Kun-Hee faced prison on two separate occasions, and was pardoned both times by different Korean presidents. One of those cases also involved the bribery of (yet another) Korean president. Kun-Hee's legacy could thus be unclear for a while since Jay might end up in prison (unless he's pardoned).

Regardless, Kun-Hee is an unalloyed hero to many Koreans. His drive and vision helped Samsung supersede iconic Japanese brands like Sony Corp, Sharp Corp and Panasonic Corp in chips, TVs and displays. It ended the supremacy of Nokia in feature phones and helped Samsung beat Apple in smartphone sales. Samsung also owns more patents than any other company in 5G, so that dominance is likely to continue for some time.

But the history of electronics indicates that no company, nor any nation for that matter, has been able to cement pole position and maintain it through several cycles. This is not just about innovation, though that's important. It's not just about brand-building, though that's important too. It's also about scale.

Ideally, any electronics business needs



Great leaps forward

The global electronics industry will generate over \$2.5 trillion in revenues in 2020 (including consumer segments and military technology). The pandemic may have accelerated already strong growth rates to an estimated 6 per cent or more, over 2021-2025.

Here's a brief timeline of how the industry has developed since inception.

- ▶1965-75: Intel creates the microprocessor, aka the computer "chip" (1969). Laser optics technology takes off. The first cellphone is demonstrated by Motorola (1973). The US agency, DARPA, funds the project that leads to the internet.
- ▶1975-90: Personal computing arrives. Microsoft and Apple become household names. The VCR, Walkman and CDs are launched. Videogames take off.
- ▶1990-2005: The internet takes off after the creation of HTML, enabling e-commerce, online trading, search and search-linked advertising etcetera. Facebook launches (2004). Korean *chaebols* LG and Samsung become big players. China and Taiwan start contract manufacturing.
- ▶2005-2020: The iPhone is launched (2006). The smartphone era begins. Chinese brands like Xiaomi and Huawei enter the arena. Social media explodes. Drones fly. The Internet of Things (IoT) leads to electronics being embedded in houses, cars, vacuum cleaners and sports equipment.

to develop IP, scale and brands if it is to capture full-value or its activities. Different nations have built scale at various times and IP is scattered across many firms. Scale without branding leads to low margins. At various times, corporations from different parts of the world have built brands — IBM, Intel, Philips, Sony, AMD, Microsoft, Apple, Nintendo, Apple, Toshiba, Huawei, Nokia, the list goes on.

A potted history would go as follows. Starting in the 1890s, scientists and engineers in labs made important discoveries. The two world wars and the Cold War led to huge research acceleration and multiple new technologies were developed, and



Lee Kun-Hee, who died last week

released into civilian domain. The space race (which was, of course, part and parcel of the Cold War) meant more of the same.

Electronics is all-pervasive. Military tech is heavily dependent on it. Every modern gadget has electronic components. Basic infrastructure like power supply, water supply, transportation and road-building is impossible without electronics. Any modern manufacturing facility, no matter what is made, requires electronics. The Internet of Things will further magnify demand.

In the 1950s and 1960s, Japan became an export powerhouse on the back of both scale and brands. That helped Japan bootstrap its shattered post-war economy. The transistor revolution was led by Akio Morita of Sony. But a dozen *Zaibatsu* ("conglomerate") followed in Sony's wake.

The Koreans rebuilt their shattered post-war economy on the back of heavy engineering (iron and steel, ship-breaking, ship-building). But Samsung's foray into electronics led to serious growth acceleration for the Korean economy. LG, Daewoo, Kyocera, all got into the act.

China entered the fray later. First, the PRC was a contract manufacturer and then it started building brands on the back of its huge domestic market. Then it moved into exports. It is now a very significant player with vast scales and big brands and it has weathered multiple accusations of intellectual theft. Taiwan is also a powerhouse, along with the Mainland.

Assuming he takes over, Jay will have his work cut out to stave off challenges. But he does possess a template set by his legendary father, and Samsung is one of the few companies that kept its financial intact during the pandemic.

Food focus keeps PepsiCo going, but Coke struggles

SURAJEET DAS GUPTA
New Delhi, 27 October

One of the things Covid-19 has brought into stark relief is the contrasting strategies of PepsiCo and Coke in India and how the differences have had a bearing on their performance during the pandemic.

One big change is that PepsiCo is now less of a cola or a beverage company and more of a foods major. Declaring the financial results a few weeks ago for Q3 of 2020, PepsiCo CEO Ramon Laguarta announced that despite a slow revenue growth of 2 per cent in emerging and developing markets, India bucked the trend, showing a high single digit growth as compared with double digit decline in both beverages and foods in Q2.

This, despite the fact that its beverage volumes in India declined by double digits in the same period, clearly suggesting that the food business rocked as the lockdown eased. Food revenue matters much more for the company's revenues and margins than beverages.

For Coke, however, which does not have a food business to bank on, Q3 2020-unit case volume declined by 10 per cent in Asia Pacific in its company-owned bottling plants, driven by India and South Africa (it was down 36 per cent in Q2).

But overall, the decline was much lower at 4 per cent in the region and again this was attributed to India and Japan. (It was 18 per cent in Q2 mainly because of India.)

The inference is simple: While Coke's percentage decline in beverage volumes is far lower than its rival and demand take-off has improved over the previous quarter, it does not have a food business to give it a kick start to recovery.

According to analysts, soft drinks now account for only 20 per cent of PepsiCo's revenues as against 59 per cent in 2015. The rest comes from food. The good news for PepsiCo is that the foods segment has

normalised much faster to pre-pandemic levels than beverages.

The fact is that soft drinks missed a large part of their peak season (April-June account for 50 per cent of volumes) sales when the country came to a standstill. If they are taking longer to normalise, it is because on-the-go and restaurant sales are limping very slowly towards their earlier levels.

Industry estimates indicate that volumes for the whole year for beverages will be down to a third of last year.

PepsiCo's asset light strategy in beverages has also helped. Two years ago, it sold off its remaining company-owned bottling plants in south and west India to Ravi Jaipuria, transforming itself into a seller of mainly soft drinks concentrate.

The strategy reduced revenues but improved margins profitability. Its normalised profit after tax went up by 58 per cent in FY20 over the previous year, though revenues went down from ₹6,200 to ₹5,264 crore in the same period.

PepsiCo banked heavily on foods and built capacity on its own, mainly from the remaining portion of the \$2.2 billion it committed to India by 2022. The strategy has also helped in shoring up margins as, according to industry experts, they are 10-20 per cent higher than beverages, which work on low margins and high volumes.

"We are committed to doubling our snacks business in India by 2025. In fact, we have increased our investment in our greenfield snack plant in Uttar Pradesh from 3500 crore to 3814 crore. We have additionally proposed to set up a green-

field manufacturing plant in Assam and expand our capacities in our West Bengal and Maharashtra plants," said Ahmed ElSheikh, president, PepsiCo India.

Currently, its own manufacturing units take care of 70 per cent of its food production (the rest is done by co-packers), which include Lays, Kurkure, and Quaker Oats among others, say analysts.

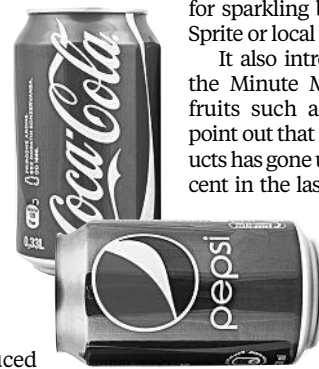
So what is Coke doing? Clearly one big move has been the push towards juice volumes and using more Indian fruits even for sparkling beverages, such as limes in Sprite or local oranges in Fanta.

It also introduced a range of juices in the Minute Maid category with Indian fruits such as pomegranates. Analysts point out that its volumes from juice products has gone up from 35 per cent to 40 per cent in the last three years, while the rest has been from other beverages. The margins in juices are higher. Coke also tested flavoured milk and smoothies in the market but they failed to get much traction.

Coke has also brought in imported products like the fizzy drink Rani Float. It is also rationalising its bottling business. Its share of the company-owned bottling company has gone down from 66 per cent of volumes to 54 per cent.

A Coke India spokesperson, while not sharing numbers, said: "We have just completed the re-alignment of four non-contiguous and fragmented territories in the north, which has opened more avenues for business growth and local investments".

But the rationalisation has raised questions among Coke watchers. Is it also moving towards a more asset-light structure like its rivals? Or will its strong company-owned bottling business be the platform for launching big new products?



Estimates indicate that volumes for the whole year for beverages will be down to a third of last year, despite the push by soft drink companies to go online

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NOTICE
Notice is hereby given in compliance with Regulation 47 read with Regulation 29 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, that a meeting of the Board of Directors of Muthoot Finance Limited is scheduled to be held on Tuesday, the 03rd day of November, 2020 at the Registered Office of the Company, inter-alia, to consider and approve the unaudited financial results of the Company for the quarter and half year ended September 30, 2020.
This intimation is also available on the website of BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com) where the Securities of the Company are listed and shall also be available on the website of the Company at www.muthootfinance.com.
For Muthoot Finance Limited
Sd/-
Rajesh A
Company Secretary
Date: 27.10.2020
Place: Ernakulam

CENTURYPLY®
CENTURY PLYBOARDS (INDIA) LIMITED
CIN : L20101WB1982PLC034435
Reg. Office: P-15/1, Taratala Road,
Kolkata - 700 088
Tel. -033-39403950; Fax: 033-24015556
E-mail ID- investors@centuryply.com
Website - www.centuryply.com

NOTICE
NOTICE is hereby given that a meeting of the Board of Directors of the Company will be held at Registered Office of the Company at P-15/1, Taratala Road, Kolkata - 700 088 on Tuesday, 10th November, 2020 at 12:30 P.M., inter alia, to consider and approve the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and half year ended 30th September, 2020.
For Century Plyboards (India) Ltd.
Sundeep Jhunjhunwala
Date : 27.10.2020
Place : Kolkata
Company Secretary

ADITYA BIRLA FASHION AND RETAIL LIMITED
(CIN: L18101MH2007PLC239011)
Regd. Office: Pritam Agaria Corporate Park, Building No. 4th and 5th Floor, Unit No. 401, 403, 501, 502, L.B.S. Road, Kurla, Mumbai - 400 070
Tel: +91 88229 05200; Fax: +91 88229 05400
E-mail: secretarial.adb@adityabirla.com; Website: www.adbri.com

NOTICE
Pursuant to Regulation 47 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, notice is hereby given that a meeting of the Board of Directors of the Company will be held on Friday, November 6, 2020, to inter alia consider the Unaudited Standalone and Consolidated financial results of the Company for the quarter and half year ended September 30, 2020.
This information is also available on the Company's website i.e. www.abrfl.com and on the Stock Exchanges' websites i.e. www.bseindia.com and www.nseindia.com.
By Order of the Board of Directors
For Aditya Birla Fashion and Retail Limited
Sd/-
Geetika Anand
Company Secretary
Place: New Delhi
Date: October 27, 2020
An Aditya Birla Group Company

MCX METAL & ENERGY
Trade with Trust
Multi Commodity Exchange of India Limited
Exchange Square, CTS No. 255, Suren Road, Chakala, Andheri (East), Mumbai - 400 093.
www.mcxindia.com

NOTICE
NOTICE is hereby given that following Members of Multi Commodity Exchange of India Ltd. have requested for surrender of their Membership of the Exchange:

Sr. No.	Name of the Member(s)	Member ID	SEBI Reg. No.	Timeline for Receiving Claims/ Complaints
1.	Indo Thai Commodities Private Limited	12040	INZ000092338	60 Days
2.	Share India Commodity Brokers Private Limited	16605	INZ000035935	60 Days
3.	Eureka Commodity Brokerage Private Limited	10740	INZ000047901	60 Days
4.	Marfatia Commodities Private Limited	31330	INZ000061236	60 Days
5.	Sushil Global Commodities Private Limited	12240	INZ000025633	60 Days
6.	M J Financial	31800	INZ000085113	15 Days

Any client(s)/constituent(s) of the above referred Members, having any claim/dispute/complaint against these Members, arising out of the transactions executed on MCX platform, may lodge their claim within the timelines as provided in the above table, failing which, it shall be deemed that no claim exist against the above referred Members or such claim, if any, shall be deemed to have been waived. The complaints so lodged will be dealt with in accordance with the Bye-Laws, Rules and Business Rules of the Exchange.
The Client(s)/Constituent(s) may submit their claim on the online portal of the Exchange (https://igs.mcxindia.com) or provide "Client Complaint Form" (available at www.mcxindia.com) in hard copy to Investor Services Department, Multi Commodity Exchange of India Ltd., Exchange Square, CTS No. 255, Suren Road, Chakala, Andheri (East), Mumbai - 400 093 or email it at grievance@mcxindia.com
Upon surrender of Membership, the Authorised Person(s) (APs), if any, registered through these Members shall also cease to exist and therefore, such APs are not authorized henceforth to deal in that capacity.
Place: Mumbai
Date: October 27, 2020
For Multi Commodity Exchange of India Ltd.
Sd/-
Authorised Signatory - Membership Department

India up, close and personal with Hollywood

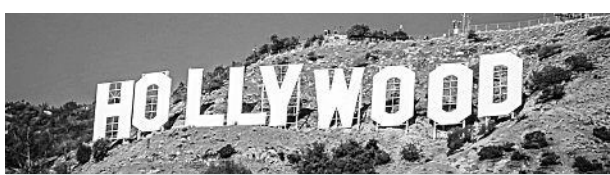
India remains a Hollywood crazy nation, finds a study by data and market measurement firm Nielsen for &flix. The study, "Hollywood Is For Everyone", covered a sample of 1,500-plus movie buffs across eight metros and non-metros, including Mumbai, Delhi, Chennai, Bengaluru, Pune, Ahmedabad, Lucknow and Indore.

The report, put together after collating responses of people in the age groups of 23 to 30 (37 per cent), 32 to 40 (50 per cent) and 41 to 50 (13 per cent), delved into the consumer preferences, attitudes, behaviours, lifestyles and mindsets of movie buffs in India.

The study found that nine in 10 movie lovers watch both English and Hindi/regional films. Compared to Bollywood and regional movies, 91 per cent felt Hollywood films have better power-packed action sequences and special effects.

Over 70 per cent said they preferred to watch films on television rather than on over-the-top (OTT) platforms. The reasons given were: television viewing is economical since you have to pay a single service provider for access to content from a wider range of channels; bigger and better, since the movie can be enjoyed on a wider screen in high-definition (HD); merrier as the screening experience can be shared with friends and family; and niftier as it does not involve browsing through content to decide what to view.

A sizeable 82 per cent also felt that TV viewing came closest to the big-screen experience amid the lockdown. Looking specifically into Hollywood enthusiasts, the study found them to be tech-savvy and brand-conscious individuals who seek new experiences, are in sync with the latest trends and are avid travellers. The survey also found that this cohort earns one and a half times more than those who watch largely only Bollywood or regional cinema; is twice more likely to buy higher-priced products; is more than two times more likely to own a four-wheeler; and has a stronger social media presence.



WINDOW TO THE WORLD
(Movie buffs' take on Hollywood)
90% 'Unites a worldwide community of fans'
85% 'Enhances proficiency in the English language'
78% 'Encourages to follow a Hollywood-size lifestyle'
90% 'Offers exposure to international cultures'
86% 'Inspires the drive to try new things'

LARGER-THAN-LIFE IMPACT
(How the movies are perceived)
91% are progressive
86% inspire big dreams
87% influence fashion choices
80% infuse a go-getter attitude

WE SEE, WE BUY, WE PROMOTE
80% viewers
■ admit that brands placed in the movies/intermittent TV ads influence their purchases
■ are willing to try new products/gadgets shown in the movies and intermittent ads
■ value brand image over pricing and associate the brands they buy with their social persona

MOVIE VIEWING ON TV WITH FAMILY
81% 'It's a great way for family bonding during the Covid-19 situation'
81% 'It's the best alternative to family outings given the lockdown restrictions'
76% 'Co-viewing experience is better than solo viewing experience'

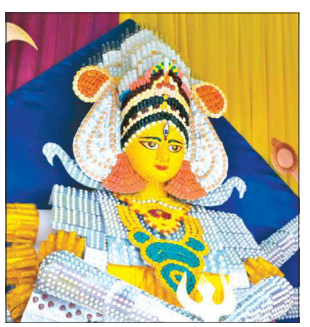
SCREEN SIZE MATTERS
82% 'TV viewing comes closest to the big-screen experience amidst the lockdown'
88% 'Hollywood VFX and superhero stunts are better enjoyed on TV than smartphone'
77% 'Watching movies on TV while scrolling on the smartphone is the perfect combo'

'GLOCAL' SHOWS
7/10 viewers want Hollywood hits on TV available in multiple dubbed formats including Hindi and other regional language (Cohorts considered: Bollywood/regional admirers)
Source: Zee English Cluster-&flix; Project Flick study done in association with Nielsen

VEENU SANDHU

ত্রিকোণ প্রেমের জেরে খুন!

চুচুড়ায় অপহৃত যুবকের টুকরো করা দেহ উদ্ধার



মেঘাল পাড় হওয়া টাবালেট আর ইঞ্জেলসন দিয়ে অসমের ধ্বজিত শিল্পী সঞ্জীবা বসাকের অভিনব দুর্গা প্রতিমা। ছবি: প্রতিবেদক

ওষুধের প্রতিমা অসমের ধ্বজিতে

মেঘাল ফুরির যাওয়া বৃষ্ণ সম্পর্কে ভগ্নাঙ্গের সোমভাঙা সঞ্জীবা। ওষুধের বজা থেকেই ইলেকট্রিক্যাল বস্তু সম্পর্কে ভগ্নাঙ্গের সচেতনতা জন্মায়। আর এটা ভালই বুঝিয়েছে অসমের ধ্বজিত দেবার দুর্গা।

মিল্টন সেন ছবি: ২৭ অক্টোবর

অপহরণের ২১ দিনের মাথায় উদ্ধার হল যুবকের টুকরো টুকরো মৃতদেহ। শব্দে এই ঘটনা চুচুড়া। ত্রিকোণ প্রেমের জেরেই মৃত যুবক পুস্পের অন্বেষণ।

করে বিয়ুকে সম্পর্ক থেকে দূর থাকার কথা বলে। অন্যথা গ্রামনাগের হুমকি দেয়া বিশাল।

এদিকে বিয়ু অপহরণের তদন্তে মেঘাল বসাকের বন্ধন। মিলে থেকে বিশালের সঙ্গী কৃষ্ণ মল্লের পরেও জাম্বুগুৎ এবং

দৈবাট থেকে রক্তকুমার গ্রামাঞ্চল গুডার রাসিকের গ্রেপার করে পুস্প। আর এ-ক অভ্যুত্থানে অতিক করে চুচুড়া থানা পুস্প বিয়ুর পরিবারের অভিযোগ।

হাসপাতালের পাশে দেহ শব্দক করে পুস্পের পরিবার। মৃত অভ্যুত্থান বিশাল এখনও মধ্যম। মৃতদেহ উদ্ধার করি জানিয়েছে।

আজকালের প্রতিবেদন

ক্রমগত গাড়ির ধাওয়া বাইকে সওয়ারি মহিলা সেতু থেকে উড়ে গিয়ে পড়লেন প্রাচীরের একটি সোকানের চালে।

কলকাতায় ৭ অস্বাভাবিক মৃত্যু

পোশা গাড়িচালক তপন মল্লের মৃতদেহ নদী ঘর খুঁজি ও মেয়ের স্বাভাবিক হাওয়ায়। এরপর তিনি শিল্পী কামের সূত্রে

মৃত বিষ্ণু মাল। ছবি: পার্শ্ব হারা

হাসপাতালের পাশে দেহ শব্দক করে পুস্পের পরিবার। মৃত অভ্যুত্থান বিশাল এখনও মধ্যম। মৃতদেহ উদ্ধার করি জানিয়েছে।

ঠাকুর দেখতে গিয়ে ছাত্রের রহস্যমৃত্যু

সম্ভিতা স্কুল শিক্ষিকা। নন্দীমনি দিন সাড়ে দুই নান্দা পাই থেকে গিয়েছে রাস্তা

আরও খবর
টাটা মোটরস: বিশেষ উদ্যোগ
টাটা মোটরস 'গ্র্যান্ড বন্দর ২০২০' জন্ম দেবে ২৩ অক্টোবর থেকে।

আইটিসি লিমিটেড
মিঃমোহন সিং সিং
CIN: L16009WB191PLC01985

MAGMA
ম্যাগমা ফিনান্স লিমিটেড
CIN: L1500WB1979PLC01131

দুস্তান্ত
প্রথম শ্রেণির পত্রিকা
শুভ বিজয়ার আন্তরিক প্রীতি ও শুভেচ্ছা

শ্রীমতী সঞ্জীবা বসাকের
আইটিসি লিমিটেড
মিঃমোহন সিং সিং

উপহার দিতে
পরিবার ও বন্ধুদের সকলের কাছেই আর্থিক বা বহিঃশুপের

জিএম গ্রুপ
জিএম গ্রুপ লিমিটেড
CIN: L1500WB191PLC01985

শ্রীমতী সঞ্জীবা বসাকের
আইটিসি লিমিটেড
মিঃমোহন সিং সিং

শ্রীমতী সঞ্জীবা বসাকের
আইটিসি লিমিটেড
মিঃমোহন সিং সিং

শ্রীমতী সঞ্জীবা বসাকের
আইটিসি লিমিটেড
মিঃমোহন সিং সিং

শিলিগুড়িতে
গোলাব প্রিমিয়াম সেকেন্ডারি
ব্রাউন গোলাব প্রথম গ্র্যান্ডপিরিয়েসে

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