A

GLOBAL / COUNTRY STUDY AND REPORT

ON

"Asian Paints Ltd."

Submitted to
Oxford School of Management

IN PARTIAL FULFILLMENT OF THE REQUIREMENT OF THE AWARD FOR THE DEGREE OF
MASTER OF BUSINESS ADMINISTRATION

In
Gujarat Technological University

UNDER THE GUIDANCE OF

Ms.Priyanka Nair, Asst. Professor

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[Batch: 2011-13]
MBA SEMESTER IV

(Oxford School of Management)

MBA PROGRAMME
Affiliated to Gujarat Technological University
Ahmedabad
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1. COUNTRYOVER VIEW: EGYPT

- With a population of around 80 million, Egypt is the most populous country in the Arab world, and the second most populous in Africa behind Nigeria.
- Egypt's recorded history began in around 3100 B.C. when King Menes united the region, beginning a series of dynasties.
- Egypt's economy is the second largest in the Arab world -- following only Saudi Arabia. The country is a significant producer of oil and is a rapidly growing gas producer.

Its economy is highly dependent on tourism revenues, oil and gas exports, remittances from Egyptian workers abroad, and revenue from the Suez Canal tolls.

GENERAL DATA OF GEOGRAPHY AND DEMOGRAPHY OF EGYPT

Full name	Arab Republic of Egypt
Region	Africa
Population	82.5 million (UN, 2011)
Total Area	1,001,450 Sq. Km.
Total Land	995,450 Sq. Km.
Coastline	2,450 km
Main exports	Petroleum, petroleum products and cotton
GNI per capita	US $2,600 (World Bank, 2011)
Climate	Desert; hot, dry summers with moderate winters.
Average Daily Temperature	Capital: Cairo
	January: 13.8C / 56.8F
	July: 27.9C / 82.2F
Annual Rainfall	24.8mm / 1.0
Languages	Arabic (official), English and French widely
	understood by educated classes
Currency	1 Egyptian pound = 100 piasters
National Holiday	Anniversary of the Revolution is 23 July (1952), Sham al-Naseem is 21 March, Evacuation Day/Republic Day is 18 June
Capital City	Cairo
Boundaries:	Sudan: 1,273 km
	Libya: 1,150 km
	Israel: 255 km
Largest Cities	City: Cairo
	Population: 8,105,071

	City: Alexandria
	Population: 4,388,219
	City: Gizeh
	Population: 3,438,401
Ethnic Groups	99%.......Eastern Hemitic stock
	1%.......Greek, Nubian, Armenian, and other
Religions	90%.......Muslim
	10%.......Coptic Christian and others.

2. PAINT INDUSTRY OVERVIEW

- Paint industry is going through a colorful & happy time with demand rising sharply. Growth in housing, automobiles and construction are all driving the rise in current consumption.
- Decorative paints cater to the housing sector; industrial paints cater to automobile original equipment manufacturers (OEMs) and industries.
- The paint industry volume in India has been consistently growing at more than 15% per annum for some years now. The strong growth was supported by a favourable monsoon and good industrial growth especially in the automotive sector

Market Structure

The paint industry volume in India has been consistently growing at more than 15% per annum for some years now. The strong growth was supported by a favorable monsoon and good industrial growth especially in the automotive sector. Growth in turnover was significantly higher than the volume growth as large price increases had to be affected during the year.

In International Business, political turmoil in Egypt and Bahrain impacted business conditions in these countries during the last quarter of the year. While South Asian markets fared relatively better, the impact of economic slowdown persisted in some of the other international markets where your Company operates.

Indian Paints Industry can be classified into two sub-segments:

- *Decorative Paints*
- *Industrial Paints*

3. ABOUT THE COMAPNY

- Asian Paints is India's largest paint company and Asia's third largest paint company, with a turnover of Rs 96.32 billion.
- Asian Paints operates in 17 countries and has 24 paint manufacturing facilities in the world servicing consumers in over 65 countries.
- In Decorative paints, Asian Paints is present in all the four segments like Interior Wall Finishes, Exterior Wall Finishes, Enamels and Wood Finishes.

International Presence

- Asian Paints in South Asia (India, Bangladesh, Nepal and Sri Lanka)
- SCIB Paints in Egypt
- Berger in South East Asia (Singapore), Middle East (UAE, Bahrain and Oman), Caribbean (Jamaica, Barbados, Trinidad & Tobago)
- Apco Coatings in South Pacific (Fiji, Tonga, Solomon Islands and Vanuatu)
- Taubmans in South Pacific (Fiji and Samoa)

Asian Paints Plant In India

Bhandup (Maharashtra)
Kasna (Uttar Pradesh)
Sriperumbudur
Rohtak, Haryana

Overseas Plant:

Berger International Plants, Bahrain
Berger International Plants, Barbados
Berger International Plants , Jamaica
Berger International Plants , Singapore
Berger International Plants, Trinidad

Asian Paints Group Subsidiaries
Apco
Asian Paints Industrial Coatings Limited
Berger
Scib Paints
PPG Asian Paints
Taubmans Paints

Manufacturing Facilities

Asian Paints along with its subsidiaries has operations in 17 countries across the world and 24 paint manufacturing facilities, servicing consumers in 65 countries through Berger International, SCIB Paints-Egypt, Asian Paints, Apco Coatings and Taubmans. Asian Paints operates in 5 regions across the world viz. South Asia, South East Asia, South Pacific, Middle East and Caribbean region through the five corporate brands viz. Asian Paints, Berger International, SCIB Paints, Apco Coatings and Taubmans. In 7 markets, it operates through its subsidiary, Berger International Limited; in Egypt through SCIB Paints; in 5 markets in the South Pacific it operates through Apco Coatings and in Fiji and Samoa it also operates through Taubmans.

Supply Chain

- Asian Paints has harnessed the powers of state-of-the-art supply chain system using cutting edge technology to integrate all its plants, regional distribution centres, outside processing centres and branches in India.
- The company has two chemical plants, 18 processing centres, 350 raw material and intermediate goods suppliers, 140 packing material vendors, 6 regional distribution centres, 72 depots.
- The supply chain runs through a wide spectrum of functions right from materials planning to procurement to primary distribution.

Human Resources

Asian Paints believes that people are its strongest assets, for a company can go only as high as its people aim. It is people who innovate and invent, and who engineer the efficiencies that make a business succeed. It is they who drive growth and lead to greater heights. At Asian Paints, our human resources systems are designed to create a focused, performance oriented and agile company. A talent pool of over 4700 employees employed across 23 countries bring in a unique blend of mindsets and skills.

Retail Initiatives & Information Technology

- Asian paints introduced colour world which offer a wide range and choice in colours. It also offer painting solutions for children with the launch of Kids World.
- The company now introduced **Asian Paints Home Solution** which provide toll free helpline service where consumers call and ask queries related to painting.
- Asian Paints has launched a supplier portal that includes an automated digital document exchange facility that will improve the efficiency of interaction with suppliers. An employee portal has also been set up. Customer Relations Management (CRM) tools are being used in Asian Paints Helpline.

Research and Development

- Supports Manufacturing in process cycle time reduction & improves productivity by alternate / break through processes
- Provides solutions to environmental issues by minimizing waste at the time of generation and also in recycling
- Aids Marketing in providing technical tools/USPs to demonstrate and push new products

- Support Materials by providing new Raw Materials as alternate to current one to give them negotiating power and also alternate vendors for supply chain flexibilit

SCIB Paints- Egypt

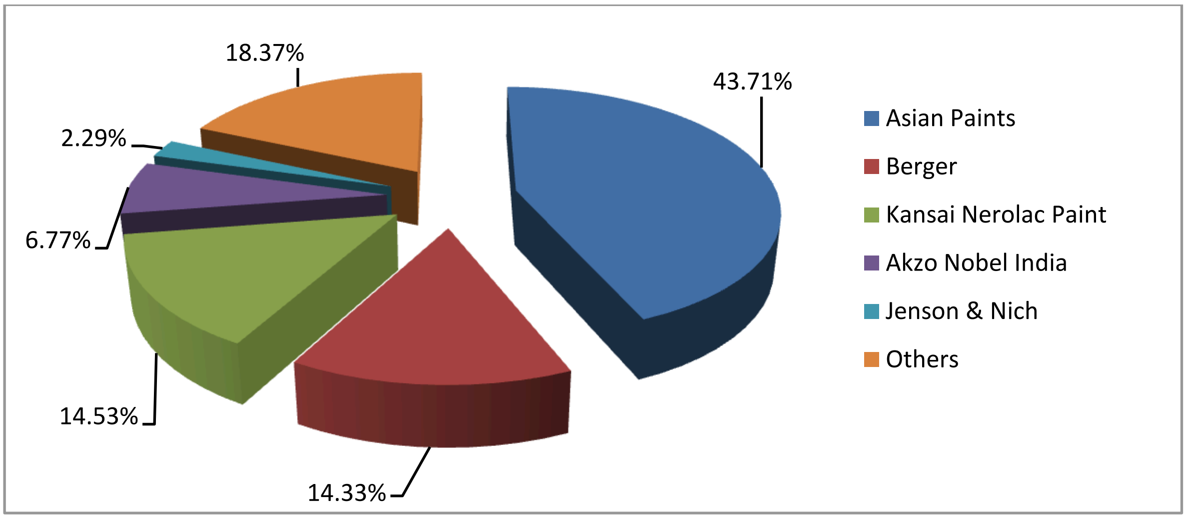
- SCIB started as a project to "Study Construction and Industrial Buildings" and that is how the name SCIB came into being in 1981.
- In 2002, SCIB partnered with Asian Paints, India's number one paint company and among the world's top ten decorative paint companies and started focusing itself on its core business of paints.
- SCIB was first to introduce computer tinting of paints in Egypt and now has over 280 exclusive Colour World computer tinting showrooms and over 1,500 retail outlets all over the country.

Paint Market in Egypt

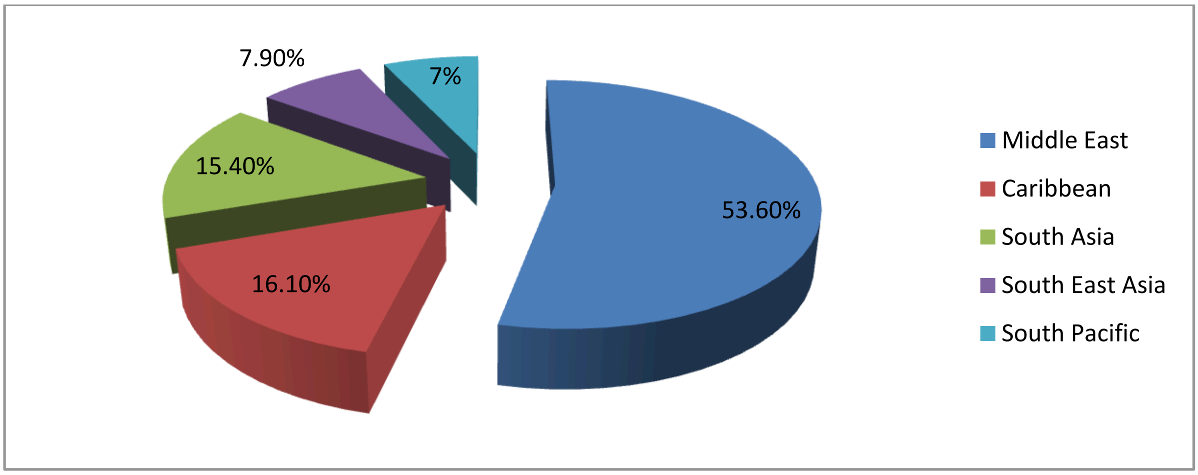
- The Egyptian paint market is one of the largest in the Middle East and is a quality conscious market which demands good quality products.
- The market is in a developing stage and wants more choice in colours, products.
- SCIB is one of the leading and most respected manufacturers and suppliers of paints in Egypt. SCIB, along with Asian Paints, offers a wide and innovative choice of products, colours and finishes along with best in class packaging, product catalogues and promotions which have placed it at the top of its class.

4. COMPARATIVE POSITION OF COMAPNY

India's paint industry: market share of major players



International operations: regional sales contribution (FY2012)



International operations: countries

Region	Countries
Middle East	Egypt, Oman, Bahrain & UAE
Caribbean	Barbados, Jamaica, Trinidad & Tobago
South Asia	Bangladesh, Nepal & Sri Lanka
South East Asia	Singapore
South Pacific	Fiji, Solomon Islands, Samoa, Tonga & Vanuatu

Peer Analysis

Major paint companies: strengths

Company	Strengths
Asian Paints	Market leader in the paints industry
ICI (Akzo Nobel)	Strong in premium end paints/emulsion
Berger Paints	Focused on enamels and lower end paints
Kansai Nerolac	Leader in Industrial paints, with half the sales coming from auto industry
Nippon	Largest paint manufacturer in the world with premium technology. No. 1 in China.

Paint industry majors - comparison (standalone financials in Rs cr

Company	Net sales	PAT	P/E	Mkt Cap
Akzo Nobel	1041.7	159.3	19.4	2676.2
Berger Paints	1686.5	120.1	20.9	2912.0
Kansai Nerolac	1822.0	165.5	23.4	4232.0
Asian Paints	5372.7	774.5	31.0	24260.6

5. IMPORT POLICY OF EGYPT:

- The country’s needs of imported goods shall be in accordance with the provisions of the law and in a manner that does not violate public order and morality.
- The Minister of Foreign Trade or whomever he delegates may ban dealings with any foreign supplier who is believed to deliberately undermine national economic interests.

- ➢ The person in whose name the Customs Declaration is registered shall be responsible for completing import procedures. Imported goods, for which the customs declaration has been registered.
- ➢ The imported goods shall be new, however, used goods may be imported in cases if it provided in the regulation.
- ➢ The goods shall be internationally bar coded in accordance with regulations decreed by the Minister of Foreign Trade.
- ➢ Imported goods shall be released only if attached with a certificate of origin authenticated by appropriate authorities.

Certification Standard for Import:

- The majority of imported products do not require import licenses, apart from certain agricultural goods, however a wide range of documents are required for a shipment to be accepted by Customs. The list of document required are given below

- ➢ *Commercial Invoice*
- ➢ *Certificate of Origin*
- ➢ *Packing List*
- ➢ *Pro Forma Invoice:*
- ➢ *Letter of Credit (L/C)*
- ➢ *Content Analysis of the Commodity*

6. EXPORT POLICY OF EGYPT

- ➢ Egyptian made products shall be exported directly through the Customs without export approval.
- ➢ Manufactured goods shall not be exported unless produced in companies licensed to be established and to operate.
- ➢ The export of petroleum products shall be with the approval of the Egyptian General Petroleum Authority.
- ➢ Goods that have been previously released as imports shall be directly exported by the Customs.

Certification Standard for Export:

- The General Organization for Export and Import Control (GOEIC) shall exclusively be responsible for issuing the certificates of origin or transit for exports of goods originating in Egypt.
- The following documents shall be enclosed with the application:
  - A copy of the sale receipt signed by the exporter.
  - A declaration by the party concerned verifying the conformity of data submitted and the observance of rules of origin.
  - List of the produts.

Egyptian Imports of Paints and their Raw Materials

Imports of Paints and Raw Materials, 2007-2012

Years	Imports of Paints	Imports of Raw Material
	$ Million	$ Million
2007	30.4	109.2
2008	27.2	93.6
2009	23.0	78.7
2010	35.0	138.9
2011	41.5	183.7
2012	43.6	206.2

Egyptian Exports of Paints and Coatings

Paints and Coatings Exports (USD) by Region, 2010-2012

Region	2010	2011	2012
Arab Countries	13,022,354	23,556,824	40,209,502
Africa	2,573,424	8,353,641	11,949,080
Europe	727,629	702,730	1,099,970
Asia	3,15,223	969,413	783,625
Other Countries	1,621,562	3,804,523	4,374,842
Total Exports	18,260,192	37,387,131	58,417,019

Source: General Organization for Export and Import Control (GOEIC)

7. BUSINESS OPPORTUNITIES IN EGYPT

- The Middle East is one of the fastest growing markets for the global paints and coatings industry.
- Egypt is emerging as a promising avenue for the global paints and coatings companies to explore due to a large potential, yet untapped.
- The governments of Egypt are investing heavily on basic infrastructure and projects. This proves a major boost to paints and coatings manufacturers.

8. SWOT ANALYSIS

Strengths

- Market leader
- Large capacity manufacturing plan
- Strong international presence
- Wide distribution Network

Weaknesses

- Industrial business performing below par
- Limited market share in industrial paints
- products become obsolete

Opportunities

- Fast growing Indian economy
- Shorter repainting cycles
- Growth in the tier II and III towns
- Good scope for growth especially in industrial paints category

Threats

- Competition from the majors world players
- Rising cost of raw materials
- Unstable political situation in middle east
- Competition from the unorganized sector

FINDINGS

- Asian Paints is India's largest paint company and Asia's third largest paint company. The company has an enviable reputation in the corporate world for professionalism, fast track growth, and building shareholder equity.
- Asian Paints has a good Supply Chain that help the company in demand forecasting, deriving optimal plant, depot and mentain vendor relationships
- The company has an open and interactive working culture.
- The Egyptian paint market is in a developing stage and wants more choice in decorative paint products.
- SCIB Paints is the Best Performer in Marketplace, among all Asian Paints International Units and it has innovative products for decorative paint segment.
- There is a great business opportunities for Asian paints to expand their business in Middle East countries.

SUGGESTIONS

- The industrial coatings business of the company has performed below expectations, though the decorative business has done very well. It is important for company to take necessary step to expand their market share towards industrial coatings.
- In todays competitive market the decorative paints Industry Customer tastes and perceptions change very fast and products may become obsolete, so it is necessary for company to innovate their products as per customers preference.
- Egypt is emerging as a promising avenue for the global paints and coatings industry it is great opportunities for Asian Paints to open more manufacturing plant in Egypt and taps the middle east paint market.

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MBA SEMESTER IV

Oxford school of management

MBA PROGRAMME

Affiliated to Gujarat Technological University, Ahmadabad

1. About Egypt

Egypt is the most populous country in the Middle East and the third-most populous on the African continent (after Nigeria and Ethiopia). Nearly 100% of the country's 82.5 million (2012 est.) people live in three major regions of the country: Cairo and Alexandria and elsewhere along the banks of the Nile; throughout the Nile delta, which fans out north of Cairo; and along the Suez Canal. These regions are among the world's most densely populated, containing an average of over 3,820 persons per square mile (1,540 per km².), as compared to 181 persons per sq. mi. for the country as a whole.

- **GDP (purchasing power parity):**
  $537.8 billion (2012 est.)
  country comparison to the world: 27

  $527.4 billion (2011 est.)
  $518.2 billion (2010 est.)
  note: data are in 2012 US dollars
  [see also: GDP country ranks]

- **Industries:**
  textiles, food processing, tourism, chemicals, pharmaceuticals, hydrocarbons, construction, cement, metals, light manufactures

- **Industrial production growth rate:**
  0.5% (2011 est.)
  country comparison to the world: 144
  [see also: Industrial production growth rate country ranks]

- **Exports:**
  $28.37 billion (2012 est.)
  country comparison to the world: 67

  $27.91 billion (2011 est.)
  [see also: Exports country ranks]

- **Exports - commodities:**
  crude oil and petroleum products, cotton, textiles, metal products, chemicals, processed food

- **Exports - partners:**
  Italy 8.7%, India 7.3%, Saudi Arabia 6.1%, US 5.2%, Turkey 4.9%, Spain 4.2%, France 4.2% (2011)

- **Imports:**
  $58.76 billion (2012 est.)
  country comparison to the world: 50

  $55.07 billion (2011 est.)
  [see also: Imports country ranks]

- **Imports - commodities:**
  machinery and equipment, foodstuffs, chemicals, wood products, fuels

- **Imports - partners:**
  US 10.7%, China 9.1%, Germany 6.3%, Italy 5.1%, Kuwait 4.7%, Turkey 4.4%, Saudi Arabia 4.3% (2011)

2. About business environment Egypt

Industry trade and commerce of Egypt country

The high degree of civilisation at tained by Ancient Egypt must have involved a considerable amount of buying and selling. Precise records on the point are however scanty. Perhaps the most illustrative -and it is unique of its kind -is a scene in a tomb of the IVth Dynasty which shows men and women exchanging commodities against each other -fish, fish-hooks, fans, necklaces, etc. This scene probably depicts a market in the open air such as is held weekly at the present time in every village.

3. Overview of economy sector in Egypt country

Industrial sector

- *Automobiles manufacturing*
- *Chemicals*
- *Consumer electronics and home appliances*
- *Steel industries*
- *Textiles and clothing*
- Construction and contracting sector

Services sector

- Banking & insurance
- Communications
- Transport
- Tourism sector

Emerging sectors

- ICT sector

Overview of business and trade at international sector

Business outline for Egypt

- **Main Industry Sectors**

Agriculture contributes around 13% of the GDP and employs about a third of the active population. The warm climate and the abundant Nile water allows for several annual harvests. The main crops are cereals, cotton, sugar cane and beets.

Economic Overview

With the establishment of a new government in July 2004, Egypt launched an economic reforms program, including a large stimulus plan in 2008. Consequently, tariffs and taxes were lowered and simplified.

FDI in Figures

With the rapid influx of new investments since 2005, Egypt became the first recipient of FDIs in the Middle East, and 3rd in the Arab world after Saudi Arabia and United Arab Emirates.

The dynamic growth of the Egyptian economy (around 7% in the recent years), the strategic geographical position of the country, its low labor costs and skilled workforce, a unique tourist potential, substantial energy reserves, large domestic market and the success of reforms undertaken by the authorities since 2004 (including many privatizations) are all factors that may explain the sharp rise of FDI.

- **Country Strong Points**

The country is in a geographically strategic location. Moreover, it offers a cheap and relatively qualified labor force. Its growing population constitutes a non-negligeable market in the region. Its energy resources are attractive and in addition, the country has in recent years, launched a public works policy.

- **Country Weak Points**

Despite privatizations, the inefficient and loss-making public sector remains ubiquitous in some sectors. In addition, the rapid population growth continues to curtail the improvement of the standard of living for Egyptians.

Foreign Trade Overview

The Egyptian market is gradually opening up, especially after signing an agreement with the European Free Trade Association (EFTA) in 2006, and a free trade treaty with the United States. Its three primary export partners are the European Union, which represents more than a third of the trade, United States and Syria. The EU and the USA absorb almost 60% of egyptian exports.

4. Introduction GAIL

Formation of GAIL

GAIL (India) Ltd was incorporated in August 1984 as a Central Public Sector Undertaking (PSU) under the Ministry of Petroleum & Natural Gas (MoP&NG). **Current Businesses - Domestic**

GAIL, after having started as a natural gas transmission company during the late eighties, has grown organically by building large network of Natural Gas Pipelines covering over 9500 Km with a capacity of around 172 MMSCMD; two LPG Pipelines covering 2040 Km with a capacity of 3.3 MMTPA of LPG; seven gas processing plants for production of LPG and other Liquid Hydrocarbons

Global Presence

As a strategy of going global and further expanding global footprint, GAIL has formed a wholly-owned subsidiary company, GAIL Global (Singapore) Pte Ltd. in Singapore for pursuing overseas business opportunities including LNG & petrochemical trading. GAIL has also established a wholly owned subsidiary, GAIL Global (USA) Inc. in Texas, USA. The US subsidiary has acquired 20% working interest in an unincorporated joint venture with Carrizo Oil & Gas Inc in the Eagle Ford shale acreage in the state of Texas.

Consistent track record

GAIL has been a leading public enterprise with a consistently excellent financial track record. The Turnover and PAT have shown remarkable accomplishment with CAGR of 16% and 12% respectively in the last decade.

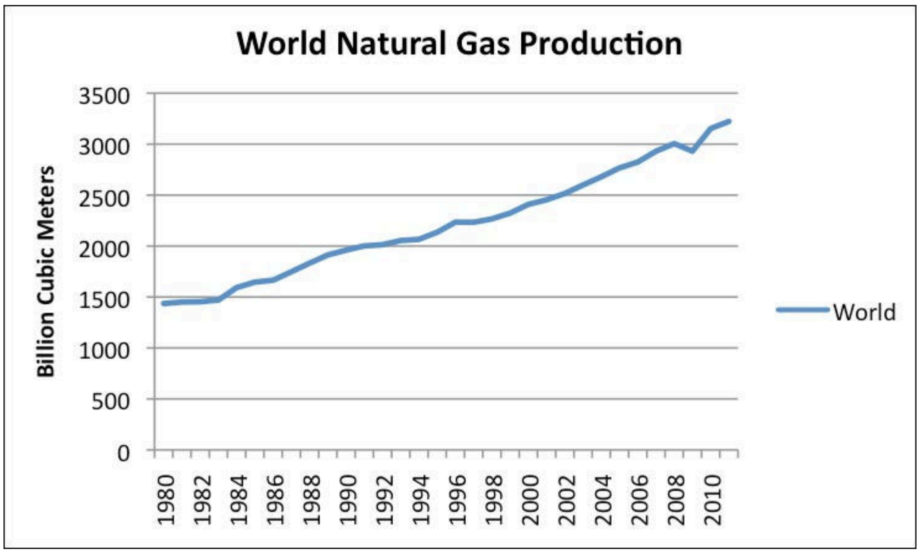
5. Gail operation an Egypt

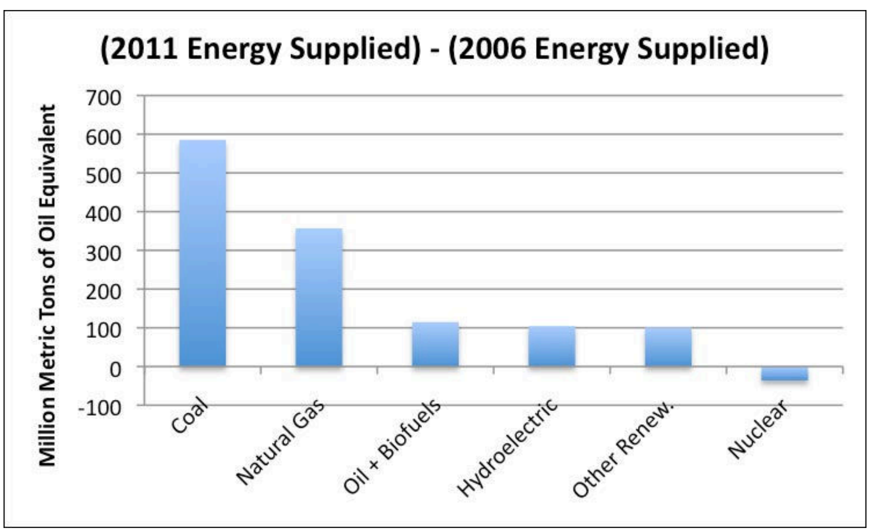
THIRUVANANTHAPURAM: Gas authority of India Limited (GAIL), which already has two city gas business ventures operating in Egypt in association with Shell International, is close to acquiring equity in a third company in Egypt, GAIL chairman and managing director Proshanto Banerjee said.

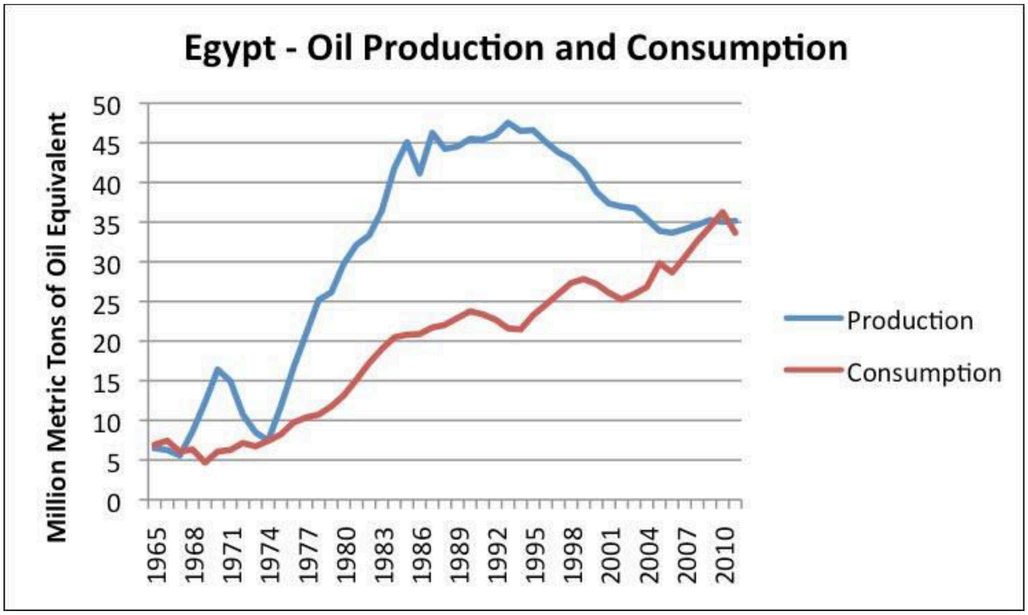
Spokesperson of GAIL, which has minority stakes in three Egyptian city gas and CNG distributions outfits, said the public sector organisation would evacuate two of its personnel at the earliest.

6. Business turnover find mattered Egypt

We keep hearing about the many benefits of natural gas–how burning it releases less CO2 than oil or coal, and how it burns with few impurities, so does not have the pollution problems of coal. We also hear about the possibilities of releasing huge amounts of new natural gas supplies, through the fracking of shale gas. Reported reserves for natural gas also seem to be quite high, especially in the Middle East and the Former Soviet Union







7. Competitors of Gail India ltd.

Name	Last Price	Market Cap. (Rs. cr.)	Sales Turnover	Net Profit	Total Assets
ONGC	326.75	279,550.64	76,516.39	25,122.92	117,456.76
Cairn India	296.40	56,620.23	9,200.98	14,746.77	31,919.61
GAIL	336.45	42,677.92	40,397.95	3,653.84	26,971.33
Oil India	592.55	35,620.31	9,863.23	3,446.92	17,731.47
Petronet LNG	143.25	10,743.75	31,467.44	1,149.28	6,553.75
IndraprasthaGas	285.90	4,002.60	2,519.23	306.43	1,617.96
Guj State Petro	62.15	3,497.24	1,123.28	522.06	3,561.76
Guj Gas	248.00	3,180.60	2,415.94	273.88	779.50
Aban Offshore	320.10	1,392.96	1,190.74	233.95	4,540.35
Hind Oil Explor	68.15	889.31	144.00	33.49	1,731.84
Jindal Drilling	221.75	569.48	877.39	51.14	489.16
Selan Explore	232.35	390.94	97.06	45.17	208.78
Shiv Vani Oil	38.80	179.88	1,255.37	68.70	2,808.51
Dolphin Offshor	97.35	163.28	352.29	14.83	331.97
Deep Industries	37.70	98.96	59.82	12.02	252.88
Sah Petroleums	18.35	80.74	367.69	14.17	123.00
Alphageo	34.00	18.31	26.90	-5.09	48.12

8. Strength & weakness

Strength

Whatever your goal is you should be able to achieve that goal in an effective manner," Agassi said. The equipment was particularly effective for his lower body, because that's what he most focused on during his career: "My lower body was such an important part of my career, so to be able to get that stronger in a safe way allowed me to play until I was 36 years old, especially with the physical issues I have.

We built this together over two decades, so to have an actual tangible symbol of the road you've traveled and to share that in people's lives," is a wonderful experience he said. Launching the company and its products, he said, is "a coming together of so many parts of me that I can't quite absorb it.

In terms of the guidelines issued by the Department of Public Enterprises, GAIL has allocated an annual budget of 2% of the previous year's profit after tax for CSR activities, which is effectively used for carefully chosen programmer. Socially useful programmer has been undertaken in GAIL since its inception in and around the areas adjoining its major work centers under the SCP/TSP Plan. But over the years, the scope of the CSR activities, the nature of programmer undertaken and the systems adopted for implementation of this programmer have been streamlined and strengthened and the work under SCP/TSP came under the wider scope of CSR. Today, CSR & sustainability development is accorded high priority in the organizational ethos and attempted to be interwoven in all the business activities and the projects that are being undertaken by the company.

Weakness

Most trade barriers work on the same principle: the imposition of some sort of cost on trade that raises the price of the traded products. If two or more nations repeatedly use trade barriers against each other, then a trade war results.

Economists generally agree that trade barriers are detrimental and decrease overall economic efficiency, this can be explained by the theory of comparative advantage. In theory, free trade involves the removal of all such barriers, except perhaps those considered necessary for health or national security. In practice, however, even those countries promoting free trade heavily subsidize certain industries, such as agriculture and steel.

Trade barriers are often criticized for the effect they have on the developing world. Because rich-country players call most of the shots and set trade policies, goods such as crops that developing countries are best at producing still face high barriers. Trade barriers such as taxes on food imports or subsidies for farmers in developed economies lead to overproduction and dumping on world markets, thus lowering prices and hurting poor-country farmers. Tariffs also tend to be anti-poor, with low rates for raw commodities and high rates for labor-intensive processed goods. The Commitment to Development Index measures the effect that rich country trade policies actually have on the developing world.

9. Summary & finding

Summary

GAIL (India) Limited (GAIL), formerly known as Gas Authority of India Limited, is a natural gas company. The company carries out exploration, production, processing, transmission, distribution and marketing of natural gas. It has extended its presence in power, liquefied natural gas (LNG) re-gasification, city gas distribution and exploration and production through equity and joint venture participations. GAIL owns and operates a network of over 9,500 km of natural gas pipelines with a capacity to carry 172 MMSCMD of natural gas across the country. The company's operating facilities are situated in Uttar Pradesh, Maharashtra, Madhya Pradesh, Gujarat and Assam.

GAIL (India) Limited Key Recent Developments

Feb 22, 2013: Jubilant Energy Spuds KL-NE Well In Tripura Block, India
Feb 18, 2013: India Seeks Share In Turkmen Gas Fields
Feb 18, 2013: GAIL Commences Gas Supply To Bengaluru Via Dabhol-Bengaluru Pipeline
Feb 15, 2013: GAIL Reports Revenue Of INR124.7 Billion In Q3 Fiscal 2013
Feb 13, 2013: Jubilant Energy Spuds North Atharamura-1 Exploration Well In Tripura Block, IndiaGDGE470FSA

This comprehensive SWOT profile of GAIL (India) Limited provides you an in-depth strategic SWOT analysis of the company's businesses and operations. The profile has been compiled by GlobalData to bring to you a clear and an unbiased view of the company's key strengths and weaknesses and the potential opportunities and threats. The profile helps you formulate strategies that augment your business by enabling you to understand your partners, customers and competitors better.

Finding

- Business description – A detailed description of the company’s operations and business divisions.
- Corporate strategy – Analyst’s summarization of the company’s business strategy.
- SWOT Analysis – A detailed analysis of the company’s strengths, weakness, opportunities and threats.
- Company history – Progression of key events associated with the company.
- Major products and services – A list of major products, services and brands of the company.
- Key competitors – A list of key competitors to the company.
- Key employees – A list of the key executives of the company.
- Executive biographies – A brief summary of the executives’ employment history.
- Key operational heads – A list of personnel heading key departments/functions.
- Important locations and subsidiaries – A list and contact details of key locations and subsidiaries of the company.
- Detailed financial ratios for the past five years – The latest financial ratios derived from the annual financial statements published by the company with 5 years history.
- Interim ratios for the last five interim periods – The latest financial ratios derived from the quarterly/semi-annual financial statements published by the company for 5 interims history.

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GAIL (India) Limited

A

GLOBAL COUNTRY REPORT OF

"GHABBOUR AUTO LTD."

ON EGYPT

SUBMITED TO:

OXFORD SCHOOL OF MANAGEMENT, MAHESANA

GUJARAT TECHNOLOGICAL UNIVERSITY,

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MBA PROGRAMME – SEM- IV

OXFORD SCHOOL OF MANAGEMENT, BALIYASAN

ACADEMIC YEAR: 2011-2013

1.1 About GB Auto

GB Auto is the leading player in the Egyptian automotive industry and is the holding company for a uniquely diversified group of subsidiaries that operate across the industry value chain. These companies focus primarily on automotive assembly, distribution and the industry's growing after-sales market, including vehicle servicing and related products. The group also continues to expand its transportation solution businesses, a line that includes public passenger and cargo transportation.

The largest and most diverse player of its kind in the Middle East and North Africa, GB Auto is the market leader in Egyptian passenger cars and three- wheeler sales, and continues rapidly growing its commercial vehicles division. The group assembles and distributes its diversified product mix to an extensive customer base that includes Egyptian retail consumers, transportation companies, private-sector companies, and various governmental authorities and agencies.

Export opportunities have recently taken on new importance to GB Auto. In 2008, the group signed a joint-venture bus-body assembly deal with Brazil's Marcopolo, a leading global player, which will target lucrative export markets in the Middle East, Europe and Africa. In early 2009, the group finalized an agreement with SENTRAC Electronics SARL to distribute semi-trailers in Algeria's growing commercial vehicle market.

GB Auto's assembly operations include production of passenger cars and commercial vehicles at two plants in Cairo and one in Sadat City. At these plants, assembly largely refers to Completely Knocked Down (CKD) vehicles imported as kits from leading international brands that are assembled with a legally mandated percentage of local content. For the group's commercial vehicle line, production extends beyond assembly to include design and manufacture of complete vehicles except for imported engines and chassis.

The company's retail distribution activities include the sale of CKD and Completely Built up (CBU) passenger cars, commercial vehicles, motorcycles and three-wheelers, and construction equipment. CBU vehicles are imported already assembled, generally at a higher import tariff. GB Auto's distribution network includes partnerships with 46 authorized retailers throughout Egypt. The company continues to invest in expanding its reach to more customers while maximizing its ownership and control of retail sales channels.

Throughout its 60 year history, GB Auto has built a strong reputation for standing behind its customers and is renowned for providing unmatched after- sales service in the Egyptian market. GB Auto's growing national after-sales service network includes six passenger car and six commercial vehicle outlets, and a planned expansion will bring these totals to 25 passenger car and 10 commercial vehicle centers. Together with the group's new vehicles sales, the company's service and parts outlets make GB a fully integrated automotive player a "one-stop shop" that provides customers with lower ownership costs and real value.

Egyptian Market Overview

GB Auto believes that the region's automotive industry presents compelling opportunity. Not only is the sector attractive, it is rapidly emerging and will persist throughout the decade ahead. Below are several macro drivers that the group believes will underlie this long-term durability:

- **Reduction of Import Duties on Cars**

  Import duties on passenger vehicles with engine capacity of less than 1.6 liters came down in 2004 to 40% from 105%. Duties are expected to continue decreasing as per the EU-Egypt Association Agreement.

- **Reduction of Income Taxes**

  Income tax reductions to 20% from 40% went into effect in 2006, significantly increasing disposable incomes. Consumer spending on everything from mobile phones to vehicles has boomed in the years since.

- **Legislative Changes**

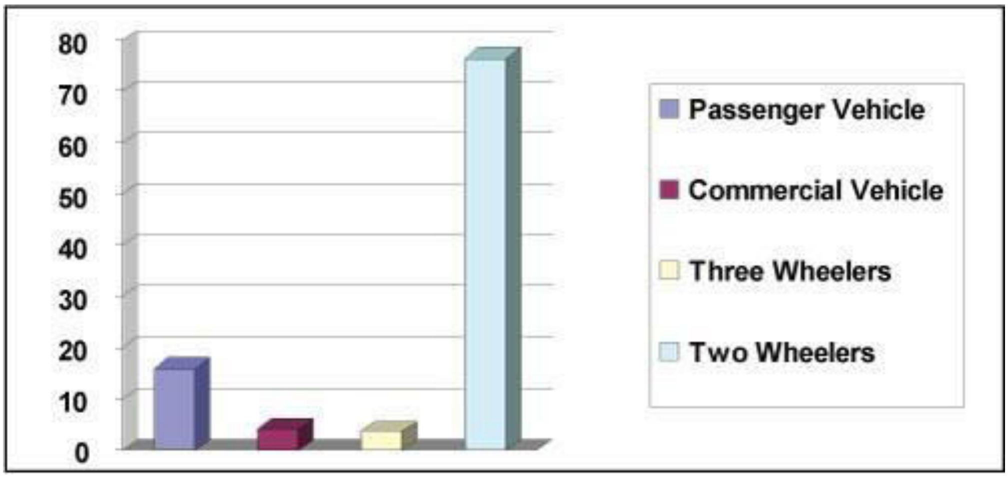
  Legislation passed in summer 2008 will support demand over the coming two years by capping the age limit for passenger cars used as taxis, outlawing drawbar trailers and allowing the licensing of three- wheelers (tuk-tuks) as motorcycles.

- **Increase in GDP/Capita Levels**

  GDP per capita is approaching the USD 2,000 range, accelerating demand for cars, with multipliers of up to 2.5x the rate of GDP growth being sustained for several years. Income per capita at purchasing power parity now exceeds that of India and China.

Segmentation of market share of automobile industry in

India



Passenger Vehicle: 15.96%

Commercial Vehicle: 3.95%

Three wheelers: 3.60%

Two wheelers: 76.49%

Ghabbour Auto SWOT Analysis

Strengths

- Domestic Market is large
- Government provides monetary assistance for manufacturing units
- Reduced Labor cost
- High investments in Research and Development

Weaknesses

- Infrastructural setbacks
- Too many taxes levied by government increase the cost of production

Opportunities

- Reduction in Excise duty
- Rural demand is rising
- Income level is at a constant increase

Threats

- Increasing rates of interest
- Too much competition
- Rising cost of raw materials

Barriers to Trade

Tariffs and Tariff Administration Measures

In 2009, tariffs remained high for automobiles, garments and some alcoholic beverages. Passenger cars with engines under 1,600 cc are taxed at 40 percent; cars with engines over 1,600 cc at 135 percent. Garments face high tariffs at 30%, and alcoholic beverages are subject to import duties from 1200% to 3000%. Wine sold at hotels is subject to a sales tax of 40% in addition to a 300% import duty.

In addition, the Egyptian government tends to make abrupt import policy changes without notification or opportunity for comment. For instance, the tariff rate on poultry was reduced from 32 % to zero in 2006, but was re-imposed at 32 % in 2007. China shows concern on these aspects and hope Egyptian side can keep the transparency and consistency of its policies. Importers to Egypt may keep updated with its policy changes so as to make arrangements accordingly in time.

On January 17, 2009, the Egyptian Ministry of Trade and Industry (MFTI) issued a ministerial decree to impose a temporary one-year duty on import of cotton yarn, mixed yarn, cotton textiles and sugar. Cotton yarn and mixed yarn are imposed at no-less-than 25% of the CIF value; cotton textiles at no less than 25% CIF value in addition to a temporary duty of USD 0.5/kg; sugar at a duty of USD1/kg. On February 12, 2009, Egypt announced the imposition of a 10% tariff on import of cold rolled tinplate; the rate will include CIF value at a minimum charge of USD 150 per ton. However, a ministerial decree issued on April 7, 2009 withdraws these aforementioned fees and taxes to stabilize the domestic market. Despite Egypt's effort to pre-terminate the protective measures, China shows concern on the adverse effect those abrupt tax increases had on Chinese exporters.

3.2 Import Restraints

Passenger vehicles may only be imported into Egypt within one year of the production.

The Egyptian Ministry of Health and Population (MOH) prohibits the importation of natural products, vitamins, and food supplements in the form of finished goods. These items can only be marketed in Egypt by licensed local companies, or enter Egypt as ingredients and premixes to be prepared and packed by local pharmacies according to MOH specifications. Only local factories are allowed to produce food supplements and to import raw materials used in the manufacturing process.

The Egyptian Nutrition Institute and MOH's Drug Planning and Policy Center are responsible for the registration and approval of all nutritional supplements and dietary foods. Importers must apply for an import license and the approval process may take 4 to 12 months. Annual renewal of the license costs approximately USD 500. Besides, if a similar dietary product is available in the local market, the application will not be approved.

The import of new, used, and refurbished medical equipments and supplies must be approved by the MOH. The same is true for sophisticated computer- based imaging devices and basic equipments.

The government is supportive of the production of agricultural biotech products and has made regulations on the review and approval of biotech seed. Importers of agricultural biotech products will get the import license with proof that the same products are sold in the country of origin.

Poultry can only be imported to Egypt in whole with a Halal certification. The import of poultry parts is forbidden

3.3 Export Restrictions

In March 2008, the Egyptian Ministry of Trade and Industry (MFTI) issued a ministerial decree to restrict export of rice, cement and steel products. The term of restriction is six months, from April 1, 2008 to October 1, 2008. In June 2008, the MFTI decided to extend the term of restriction on rice export from October 2008 to April 2009.

In March 2009, in response to the rise in the global rice price, the Ministry issued another decree to double its export duty of rice from £E 1000/ton to £E 2000/ton (approximately USD 357/ton) to ensure its domestic supply. And the term of export restriction was further extended by the government to October 2009.

3.4 Technical Barriers

The Egyptian Organization for Standardization and Quality (EOS) of MFTI establishes the standard and technical regulations by consulting with other departments. However, the verification and assessment are made by other ministries including the Ministry of Health and Population and the Ministry of Agriculture. The assessment of imported goods is made by the GOEIC of MFTI.

Among Egypt's current 5,000 standards, compliance with 543 is mandatory. EOS reports that ithas begun to harmonize its mandatory standards with international standards and that about 80 percent of its mandatory standards are based on standards issued by international institutions. According to the Ministerial Decree No. 180/1996, if a relative mandatory Egyptian standard is absent, importers may choose a standard from seven international systems including ISO, European Standards, American Standards, Japanese Standards, British Standards, German Standards, and Codex for food. However, importers report that products that have met international standards and displayed international trademarks are still subjected to standards testing upon arrival at the port of entry.

General Government Structural Balance (% Potential GDP)

Statistics for Egypt, Year 2013

- General Government Structural Balance (% Potential GDP) for Egypt in year 2013 is -10.1 %. Data are on a national income accounts basis. The structural budget position is defined as the actual budget deficit (or surplus) less the effects of cyclical deviations of output from potential output. Because of the margin of uncertainty that attaches to estimates of cyclical gaps and to tax and expenditure elasticity's with respect to national income, indicators of structural budget positions should be interpreted as broad orders of magnitude.

- This makes Egypt No. 65 in world rankings according to General Government Structural Balance (% Potential GDP) in year 2013. The world's average General Government Structural Balance (% Potential GDP) value is -0.91 %; Egypt is 9.19 less than the average.

- In the previous year, 2012, General Government Structural Balance (% Potential GDP) for Egypt was -10.06 % General Government Structural Balance (% Potential GDP) for Egypt in 2013 was or will be 0.39% more than it was or will be in 2012.

In the following or forecasted year, 2014, General Government Structural Balance (% Potential GDP) for Egypt was or will be -7.41 %, which is 26.61% less than the 2013 figure.

Egypt Export and Import

- **Egypt's trade profile is characterized by huge trade deficits.** The economy is highly dependent on oil exports, which is its major source of foreign income together with tourism receipts and US financial and military aid.

- It has to import most of its food, other commodities and equipment, since both its agricultural and industrial sectors are not well-developed.

Exports

- Egypt's 2010 exports trade grossed over US$29 billion, a 22% surge from the previous year's level.
- **Oil export is central to the Egyptian economy**. Egypt produces 630,600 barrels of oil a day, and exports 155,200 barrels per day, approximately. However, the country has huge oil reserves, 37 billion barrels proven and potentially more in uncharted areas, which can act as fuel for the economy for coming decades.
- Apart from crude oil and petroleum products, the country also exports metal products, cotton, textiles and chemicals. Before World War II, cotton made up 90% of Egypt's exports, while cotton textiles had grown to 16% of exports by 1970. By 1985, however, oil had come to dominate trade, making up around 80% of exports.

Imports

- Egypt import volumes reached US$43.98 billion in 2009, a 24% rise from the previous year's level.
- Due to surplus imports, Egypt has had a negative balance of trade since the 1980s. Based on total import volumes, the country ranks 49th in the world.

- Food, commodities, equipment and wood products are the major items of import.

The US is the largest import partner. It accounts for more than 10% of the total imports, followed by China (9.9%), Italy (7.3%), Germany (6.8%) and Saudi Arabia (4.9%).

Potential for Import and Export in India

We have come a long way since the Automotive Industry in India was delicensed. Today, this sector is one of the shining examples of what can be achieved in a relatively short span of time with the right kind of support of the Government, combined with the entrepreneurial skills and managerial talent that the Industry has to offer. Today India is the seventh largest vehicle manufacturer, second largest two wheeler manufacturer and the fifth largest commercial vehicle manufacturer in the world. The past ten years have witnessed a six fold increase in the industry turnover and the automotive exports.

The Government and the automotive industry had jointly set a road map, a vision, for the future of the Indian auto industry in the shape of the Automotive Mission Plan (AMP) 2006-16. During the period of downturn from 2007-09, there were many people who believed that it would be extremely difficult to meet the AMP targets. However, the spectacular rebound and growth witnessed by the industry during the last two â€“three years has belied these apprehensions.

During 2010-11, the Indian automotive industry registered a total turnover of USD
73 billion, with exports worth USD 11 billion. Of this, the turnover by the auto component sector stood at USD 30 billion, with exports valued at USD 5 billion. The moderation of growth in the recent past is a transient phenomenon.

The coming years shall continue to witness high levels of growth for the Indian automotive industry owing to the fact that most of the primary demand drivers like level of vehicle penetration, growth of the economy, the demographic profile of the country, increasing wages and salaries coupled with the huge investments being made by the government in the infrastructure sector are all very favorable.

It has been projected that the Indian auto component industry has the potential reach a turnover level of USD 66.4 billion by 2016 and USD 113 billion by 2020.

The impressive numbers for the possible future size of the Indian auto component industry represents high potential; however, huge challenges will need to be overcome if the Indian auto component industry is to realize this potential. In order to realize the 2020 vision, the Indian auto component industry will need to build and optimize their capacities, focus on continuous improvement, absorb advance technologies, adopt latest manufacturing processes, build R&D competencies, inculcate and promote organization culture of innovation. In addition, it will need to continually strive to improve quality, cost and delivery standards to global benchmarks. Further, as the industry move towards an era of shortened product life cycles and faster roll out of newer models and variants, it will be imperative for the Indian auto component industry to graduate from the present build to design capabilities to developing product design, testing and validation capabilities. Also availability of capital at reasonable costs, availability of skilled manpower, stable long term government policies, protection of the interests of the domestic auto industry in the various bilateral free trade negotiations are some of the most critical .

The Automotive Industry in India shall continue to grow at a very fast pace in the foreseeable future. This confidence is based on strong sector fundamentals which include extremely low current levels of vehicle penetration in the country, projected high rate of GDP growth for the Indian economy, huge investments being made by the Government in infrastructure along with a very large upwardly mobile middle class population with aspirations for better living standards. These factors will ensure that the demand for personal mobility in India will continue to remain very high. Recent studies project the size of the Indian passenger vehicle segment annually to be close to 9 million units and the two wheeler production to be close to 30 million units by 2020.

Business Opportunities in future in Egypt

After the 2011 revolution and the dynamic change in the country, Egypt has a potential to plan for a progressive industrial and economic advancement. Public policy is constantly at review now to realize the country's aptitudes and challenges to be able to craft a successful path to utilize its competitive edges and capture future prospects.

Although some countries in the region took huge leaps in car manufacturing and became key players, Egypt still has a valuable chance in carving its space in the world of auto industry. Many changing factors in the future of this industry provide windows of opportunities to developing countries. Production and consumption maps are expected to alter significantly. These are affected by both the advancing requirements in mature markets in developed countries on one hand and the changing economic and social standards that created new markets in developing countries on the other hand.

In the local market, the growing demand has already reached encouraging levels at 150,000 vehicles per year (Gazarine, 2012). With the decreases in tariffs and the reduction in car prices, local demand is expected to reach 500,000 vehicles per year, surpassing the economic incentive for local car production which encourages manufacturers to benefit from economies of scale. Car producers can increase the capacity of their production and target the growing local market. They will still enjoy government protection for more than seven years until the GATT is completely adopted and the car industry becomes entirely unprotected. This will enable domestic producers to have a competitive edge over foreign companies during this period.

A great potential for exporting to developing countries is also available. Egypt is strategically located close to many developing countries with open markets for car imports. Local producers can target these markets and serve customers' needs with designs that combine economical prices and contemporary designs. The location of the country will also affect the cost of transportation, which will give Egypt an edge over more distant exporters.

Electric vehicles are now introduced in some developed countries. Also, France developed an automobile that operated with air. Egypt can invest in the development of energy sources that it is advantaged with as the solar energy. This can put the country on the competitiveness map in even the developed mature automotive markets.

On the other hand, the projected expansion in local production can create a valuable opportunity for the expansion of the component and feeding industries. This sector has been affected with the relatively small local market and the inability to compete in international markets due to the high specifications required. When domestic car factories expand production, the component industry will follow up with higher capacity. Meanwhile, factories can provide technical assistance to feeding industries to encourage their abidance by the international requirement.

However, the expansion in both the local production of automobile and component industries are dependent on the incubation of research and development units to service and push the advancement of the sector. There is no prediction or ceiling to what technology can provide in this sector that is highly

reliant on innovation. According to the former minister of industry, Mohammed Abdul Wahab, the main obstacle that Egypt has faced since the 1970's was the negligence to R&D as the major factor for sustaining an edge in industry (Abdel Wahab, 2004).

Conclusion and Suggestions

After making report we found that GB Auto is the leading player in the Egyptian automotive industry and is the holding company for a uniquely diversified group of subsidiaries that operate across the industry value chain. These companies focus primarily on automotive assembly, distribution and the industry's growing after-sales market, including vehicle servicing and related products.

- The largest and most diverse player of its kind in the Middle East and North Africa.

The belief of the Ghabbour Auto, the official agent for Hyundai and Mazda and other agencies, in corporate responsibility towards society and the important role that should be played by the private sector to contribute to the advancement of society as a whole.

But too many taxes levied by government increase the cost of production so that’s effects on production.

The company has with its clients to crack a large donation which each client donated with a part of the money paid for the maintenance of his car in order to remove the negative effects on the society that emerged last period.

A

GLOBAL COUNTRY REPORT OF

"HYUNDAI"

ON EGYPT

SUBMITED TO:

OXFORD SCHOOL OF MANAGEMENT, MAHESANA

GUJARAT TECHNOLOGICAL UNIVERSITY,

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MBA PROGRAMME – SEM- IV

OXFORD SCHOOL OF MANAGEMENT, BALIYASAN

ACADEMIC YEAR: 2011-2013

2.1 Government Policies on Indian Automobile Industry

The Indian Automobile Industry plays a major role in the economic scenario of the country. The automobile sector in India, record sales of more than one million passenger cars per year. The percentage of automobile exports has risen significantly during the last few years. The government policies on Indian automobile industry have been framed in order to aid in the expansion of the automobiles sector in India.

During the early stages, the automobile industry was not accorded much importance by the Indian Government. However, the attitude changed during the 1990's. A number of reforms were initiated in 1991. Liberal policies affected during this period, proved to be beneficial to the automobile industry. The fiscal measures, tax reliefs and reforms in equity regulations and foreign exchange led to significant growth in the automobile sector. A reduction in the percentage of tariffs imposed on exports and a change in the banking policies was instrumental in the expansion and growth of the banking sector.

Prior to the mid 1990's, the Indian automobile sector comprised of indigenous companies. The automobile market in India was however, opened up to foreign investors in 1996. International names like Ford, Hyundai, Toyota, Volvo, Daimler Chrysler and GM Honda were thus, able to make their foray into the Indian automobile sector. Furthermore, the auto emission rules issued by the government in recent years ensured that the vehicles manufactured in India, catered to international standards. At present, the automobiles sector contributes 4 % to the GDP. About 9.7 million automobiles were manufactured in 2005-2006. Export figures had crossed the magic figure of one billion during 2003-2004.

A reduction in the tariff imposed on car exports has been effected by the Indian government. There has also been a removal of the minimum capital investment required from new investors. The new policy is also in favor of reduction in excise duty for small automobiles and low emission and multi utility cars. The tariff policy is also to be reviewed on a regular basis in order to affect a balance between domestic industry and international trade. There has also been a proposal for tax relaxation on investment of more than Rs. 500 Crore.

The government has recently proposed for an infrastructure that will provide one stop clearance for any kind of proposal for foreign direct investment in the automotive sector. This will include the local clearance system also for the same purpose. There are also plans for imposing a 100 % tax deduction on export profits. The government has also proposed for a concession in import duty for the establishment of new manufacturing units and industrial holdings.

The Indian government is also urging the state governments to ensure continuous power supply to the automotive manufacturing units as well as granting them with the preferred plots of land. Captive Generation for the automobile sector has also been proposed. The auto policy of the Indian government also includes the promotion of vehicles which are run on alternative energy resources. Talks are also on for extensive research, development and designing facilities that would affect modernization in the automotive sector.

The policies adopted by the Indian government for the growth and development of the automobile sector, has led to a large number of foreign investments. It has also given rise to an increased sales rate for two wheelers and other automobiles. India is also becoming the ultimate outsourcing destination for global automobile companies like Ford, Mitsubishi, Toyota, Hyundai etc.

2.2 FDI in Indian Automobile Industry

The FDI or Foreign Direct Investment in Indian Automobile Industry has opened up new avenues for the development of this important sector of Indian industries. The liberalization of government policies regarding FDI in the automobile industry of India has increased the scope of this industry.

Initially, the automobile industry of India was ruled by national vehicle manufacturers like Premier Automobile and Hindustan Motors. The entrance of foreign automobile companies in the market was restricted by the imposition of high import tariffs and other policies and measures.

The first FDI player in the Indian automobile industry was Suzuki. In 1980s this company entered into a joint venture with Maruti Udyog, a state run enterprise. The then Indian government permitted this company to enter the Indian automobile market in 1983.

In 1991, the government of India liberalized its policies regarding the automobile industry of India Foreign Direct Investment in the automotive industry of India was permitted. In 1993, FDI was also allowed in the passenger car segment of Indian automobile industry.

The liberalization of governance policies with regard to FDI in Indian automobile industry has resulted in the rapid growth of this industrial sector post 1993. The major global players in the automobile industry have invested in the Indian vehicle manufacture as well as auto component part manufacture.

The major foreign players who have a significant role in the development of Indian automobile industry include the following:

- Ford from USA
- DaimlerChrysler AG from Germany
- General Motors from USA
- Suzuki from Japan

- BMW from Germany
- Honda from Japan
- Renault from France
- Hyundai from South Korea
- Toyota from Japan

Foreign Direct Investment in the automobile industry of India has helped in the growth of this sector in terms of production, domestic sales and export. FDI is also permitted in the manufacture of auto components in India.

2.3 Challenges Before Indian Automobile Industry

Over the last few years the face of the Indian automobile industry has undergone a sea change. The growth of the industry has surpassed all previous records. However there are certain factors that stand as challenges before the Indian automobile industry.

The development of the industry has been attributed to a couple of factors. One of these was the liberalization of the economy in the early 1990s and the rise in disposable income and standard of living. Liberalization of the economy meant a decrease in import tariffs, equity regulations, liberalization in banking norms and relaxation of the foreign exchange. Since then there has been no looking back and the automobile industry has continued to grow at a consistent rate of 25%. These positive steps led to globally renowned auto brands to invest in the Indian market. Some of the leading automobile manufacturers from Europe and the United States collaborated with Indian brands to create customized vehicles for each section of the population. Companies like Maruti Udyog were formed as a result of collaboration between Suzuki of Japan and the Indian government.

With each passing year, the number of automobile manufacturers willing to take the plunge into the Indian market has risen considerably while most of the international brands have entered into joint ventures; there are exceptions like Hyundai which is keen on setting up its own manufacturing units. However, there are numerous challenges before Indian automobile industry. One of the major problems faced by this sector is the poor condition of the roads. The road infrastructure is not properly developed. The condition of the highways is not up to the mark. A large number of the roads are single lane roads built almost 50 years ago. They hardly match the rapid pace at which the automobile industry is developing. Moreover, they are mostly used by bullock carts and two wheelers. It is believed that the condition of the roads would worsen with the introduction of bigger and increasing number of vehicles. Repair work is expected to incur expenses up to$30 billion. The privatization of the road infrastructure is not enough to solve the problem which has attained large proportions. The Road Development Program and its progress is expected to be a key factor in the growth of the auto industry in India.

Though numerous foreign companies have entered the Indian automobile market, the tariffs on imported components and products and the frequent alterations in the currency exchange rates have made localization an absolute necessity for these companies. Daewoo-DCM and GM Astra have already begun the process of localization and plan to expand it. However, it there is an obstacle in the path of localization with respect to the limited number of component suppliers. The policies and programs of the government in power also play a crucial role in the growth of this sector.

The major players in the Indian automobile industry include Maruti Udyog, Mahindra& Mahindra, Hindustan Motors and Telco. They can be divided into four major sections namely Multinational Assemblers, Indian Assemblers, Multinational Component Makers and Indian Component Makers. While the Indian Assemblers boast of a proper distribution network, at the same time they fall short in with respect to product development and a known brand. The multinational assemblers, on the other hand, have a well developed production system and financial resources but are not well acquainted with the intricacies of the Indian market.

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Strengths	Weaknesses
1. Growing brand reputation 2. Strong focus on R&D 3. Effective resource allocation 4. Europe operations 5. Successful marketing campaigns	1. Product recalls 2. Hyundai has no presence in Japan's car passenger market 3. Negative publicity

you might have disclosed and state that it is erroneous.

Opportunities	Threats
1. Increasing fuel prices 2. Positive attitude towards "green" vehicles 3. Changing customer needs	1. Exchange rates 2. Rising raw material prices 3. Decreasing fuel prices 4. Intense competition

- ✓ **Strengths**

1. **Growing brand reputation**. Hyundai's brand is the second fastest growing brand in automotive sector. In 2012, Hyundai's brand value grew by 24% to US$ 7.43 billion and became the 53rd most valuable brand in the world, according to Interbrand. This is a result of Hyundai's excellent quality cars, marketing efforts and growing customer base.

2. **Strong focus on R&D**. Hyundai has established R&D centers in 6 different locations and has smaller R&D offices all around the world. Firms commitment to innovation yielded positive results and the company has become one of the automotive leaders in producing high quality, reliability, durability and safety cars. It has received many rewards including the latest North American Car of the Year reward in 2012.

3. **Effective resource allocation**. For the 2011 financial year, Hyundai's ROE was 20.6% compared to GM's 19.9% and Toyota's 4%, generating very high returns for the shareholders. In addition, Hyundai was using its assets more efficient than competitors with 7% ROA compared to GM's 5.2% ROA and Toyota's 1.4% ROA.

4. **Europe operations**. While the Europe's car sales were falling in 2012, Hyundai was experiencing significant growth in the region. It grew its market share in Europe from 2.9% in 2011 to 3.5% in 2012. This growth led to a competitive advantage over its rivals, Toyota and Volkswagen that were incapable to grow their operations.

5. **Successful marketing campaigns**.Hyundai has launched many successful marketing campaigns through their CSR programs, sponsorship of many sport events and using celebrities to promote their products, which resulted in increased brand popularity.

- ✓ **Weaknesses**

1. **Product recalls**. Over 2012, Hyundai recalled more than 300,000 cars in different regions to fix manufacturing and design defects. Product recalls negatively impact Hyundai's reputation and could erode its competitive advantage.

2.**Hyundai has no presence in Japan's car passenger market**. Hyundai has pulled their passenger car division from Japan in 2009 due to low sales and weak brand perception. Japan represents a large automotive market and performing poorly in this market leaves Hyundai at competitive disadvantage.

3.**Negative publicity**. In 2012, Hyundai has been accused over inflated fuel economy numbers. Now the company will face federal lawsuit and will have to reimburse all the damage done to the customer

Opportunities

1. **Increasing fuel prices**. Increasing fuel prices open up large markets for Hyundai's hybrid, electric and hydrogen fueled cars as consumers shift towards cheaper fuel types.

2. **Positive attitude towards "green" vehicles**. Cars that emit large quantities of CO_2 pollute air and negatively affect the environment. Consumers are aware of this negative impact and will likely choose fuel-efficient hybrid, electrical or hydrogen fueled cars that Hyundai is currently offering.

3. **Changing customer needs**. By introducing new car models, Hyundai could satisfy varying consumers' tastes and needs for more fuel-efficient, ecological cars and access wider customer group.

- ✓ **Threats**

1. **Exchange rates**. Hyundai earns more than half of its revenue outside the South Korea. Exchange rate fluctuations threaten Hyundai's profits if the KRW would appreciate against other currencies.

2. **Rising raw material prices**. Raw metal prices (main raw material for car manufacturers) are rising due to increasing global demand, negatively affecting automotive firms' profits.

3. **Decreasing fuel prices**. Some analysts argue that due to shale gases future fuel prices should drop as a result making hybrid and alternative fuel cars less attractive to consumers.

Intense competition. Hyundai faces strong competition from other automotive companies and more than ever competes on price rather than differentiation lowering

A

GLOBAL / COUNTRY STUDY AND REPORT

ON

"Marico Industry (Egypt)."

Submitted to
Oxford School of Management

IN PARTIAL FULFILLMENT OF THE REQUIREMENT OF THE AWARD FOR THE DEGREE OF
MASTER OF BUSINESS ADMINISTRATION

In
Gujarat Technological University

UNDER THE GUIDANCE OF

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(Oxford School of Management)

MBA PROGRAMME
Affiliated to Gujarat Technological University
Ahmedabad
April-2013

OVERVIEW OF EGYPT

- Egypt is one of the most populous countries in Africa and the Middle East, and the 15th most populated country with the population of 82 million people who lives near the Nile river.
- The territory of Egypt that is 1,010,000 square kilometers (390,000 sq mi) lies within North Africa
- Egypt is well known for its monuments, such as the Giza pyramid complex and its Great Sphinx, were constructed by its ancient civilization, which was one of the most advanced of its time.
- Egypt's rich cultural legacy, as well as the attraction of its Red Sea Riviera, has made tourism a vital part of the economy, employing about 12% of the country's workforce.

Geography of Egypt:

- Egypt is bordered by Libya to the west, Sudan to the south, Gaza Strip to the west and Israel to the east.
- Egypt lies between the latitudes of 22° and 32°N, and longitudes of 25° and 35°E.
- The majority of Egypt's landscape is desert which includes the parts of the Sahara Desert and of the Libyan Desert.
- Towns and cities include Alexandria, the second largest city; Aswan; Asyut; Cairo, the modern Egyptian capital and largest city; El-Mahalla El-Kubra.
- Protectorates include Ras Mohamed National Park, Zaranik Protectorate and Siwa.

Economy of Egypt:

The economy of Egypt deals in the following sectors.

- 12% crude petroleum oils.
- 9.5% refined petroleum oils.
- 11% petroleum gases.
- 3.7% in mineral or chemical fertilizers.
- 3.4% gold.
- 1.9% copper plates.
- 2.5% insulated wires.

- Egypt's economy depends mainly on agriculture, media, petroleum exports, exports of natural gas, and tourism.
- The government has invested in communications and physical infrastructure. Its main revenues come from tourism as well as tariff that go through the Suez Canal.
- Egypt has a developed energy market based on coal, oil, natural gas, and hydro power.
- Egypt's most prominent multinational companies are the Orascom Group and Raya Contact Center

2. COMPANY INTRODUCTION

- Marico is one of India's leading Consumer Products & Services companies in the global beauty and wellness space.
- Marico is present in more than 25 countries across Asia and the African continent.
- The company recorded a turnover of Rs. 40.0 billion in 2011-12.
- Products of Marico are Parachute Advanced, Saffola, Hair & Care, Nihar, Mediker, Kaya Skin Products ,Revive and Manjal .

Basic Information of Marico in India:

Date of Establishment	1988
Market Cap	140141.15051265 (Rs. in Millions)
Corporate Address	Rang Sharda,Krishnachandra Marg, Bandra Reclamation Bandra WestMumbai-400050, Maharashtra.
Chairperson	Harsh Mariwala
MD	Harsh Mariwala
Financials Total Income	Rs. 30220.3 Million
Company Secretary	Hemangi Ghag
Bankers:-	Axis Bank Ltd ,Citibank ,HDFC Bank Ltd HSBC ,ICICI Bank Ltd

Propduct Mix:

BRANDS	*TARGETED CUSTOMER'S*
PARACHUTE	•Primary Target Women Of All Age's
PARACHUTE ADVANCED	•Young Girls (College & School Going)
HAIR & CARE	•Appealing To Both Men & Women of All Age's
	•Primary User the Young Age Group
SHANTI AMLA	•Customer Looking for Value for Money (H.OIL+Badam)
SILK & SHINE	•Primary Target Female Of age 18 – 34
AFTER SHOWER	•Primary Target Young Males 18 – 34
MEDIKER	•Young Children Age Group 3-13 (Due to Lice Problem)

SWEEKAR	•Primary Target Housewives (Due to Economic+Healthy Life for Family)
SAFFOLA	•All Health Conscious Consumers (Specially for Heart Patient's)

History of Marico Company Ltd.

- Marico is one the leading company in FMCG sector incorporated on 13th October 1988, under the name of Marico Foods Ltd.
- Marico's consumer products has prominent market share in coconut oil, hair oils, fabric care, etc .
- Marico presence in international market became more evident through its major acquisition of international brands namely camellia, aromatic, Fiancée, Hair Code , Sundari etc.
- Marico plan to increase its portfolio in Food segment and increase its share in coconut oil market in Bangladesh.

Marico In India

- Marico's Consumer Products Business (CPB) has established and nurtured brands that touch the lives of 1 out of 3 Indians* over the last two decades.
- recently entered into an agreement with Reckitt Benckiser to acquire leading brands like Livon, Set Wet, Zatak.
- During 2010-11, Marico's Consumer Product Business revenues grew by ~17% led by an underlying volume growth of ~11%

Marico in Egypt:

- Marico's journey in Egypt began in 2006-07, when it acquired leading local hair care brands – Fiancée and Hair Code
- Marico commands a market share in hair styling category of more than 55%.
- Marico set up a Greenfield factory in 2008 in Sadaat city. In 2010, Marico launched the Parachute range of hair creams and hair oils in the local Egyptian market.

BCG Matrix

3. SECTOR AND THEIR ROLE IN INDIAN AND EGYPT ECONOMY:

- The Indian FMCG sector is the fourth largest sector in the economy with an estimated size of Rs.1, 300 billion.
- India FMCG sectors' significant characteristics can be listed as strong MNC presence , Easy availability of important raw materials, cheaper labor costs and presence across the entire value chain gives India a competitive advantage
- India has a varied agro-climatic condition which enables to offer extended raw material base suitable for many FMCG sub sections like food processing industries etc.

4. ROLE OF MARICO IN EGYPT:

- Marico was all about Mariwala and Parachute , visionary promoter's next challenge is to change that many things have come to epitomize the very DNA of Marico, an energetic consumer goods company
- The second thing that has come to represent the very core of Marico's identity is two of its popular brands—Parachute and Saffola.
- Mariwala also plans to chalk out a short-term succession plan for the senior management.

5. STRUCTURE OF MARICO IN EGYPT:

- Profit centers: This division manufactures and markets 10 leading consumer product brands like parachute ,saffola, kaya skin clinics, under banner Of kaya skin care ltd .all the above profit centers have dedicated marketing teams, distribution channels ,sales force
- Finance:- The company is strongly supported by the finance division, which handles the legal , treasury ,tax control system and Management support system
- HR –INDIAN structured as three business units led by a professional & experienced Leadership Team & Board of Directors, with Harsh Mariwala, at the forefront.

6. FUNCTIONS OF MARICO INDUSTRY LTD.

- Marico function -Saugata Gupta, who currently heads CPB, will lead the overall FMCG Business, as Chief Executive Officer - Marico
- kaya function -Vijay Subramaniam, who currently heads the International FMCG business, will take over as Chief Executive Officer - Kaya, effective April 1, 2013.
- Kaya business has stabilized as it has achieved same store sales growth during the last 8 consecutive quarters. Ajay played a significant role in repositioning the brand and crafting a new retail format - Kaya Skin Bar, which has been launched in Bangalore recently .

7. ACTIVITIES OF MARICO INDUSTRY LTD.

- **Marketing Activities -**Indian expatriates in the Middle East had been smuggling Parachute oil with them for their daily use when export of the oil was restricted prior to the 1991 economic liberalization.
- Marico reformulated its product, its market share in the Arab Mideast grew from 2% in 2002 to more than 20% by 2010.
- **Manufacturing Activities -**In the fourth quarter of the year, workers at your Company’s Goa plant (manufacturing Coconut Oil) went on strike as the negotiations, arbitrated by the Labor commissioner, (that were on for the preceding six months), failed .
- **Research and Development Activities -**Research and Development (R&D) team continued to develop new products, renovate existing ones and improve production facilities, packaging systems and processes

8. COMPARATIVE ANALYSIS WITH INDIAN OTHER COMPANIES

Name	Last Price	Market Cap. (Rs. cr.)	Sales Turnover	Net Profit	Total Assets
HUL	468.70	101,346.73	22,116.37	2,691.40	3,512.93
Godrej Consumer	799.10	27,195.52	2,980.08	604.39	2,761.43
Dabur India	142.75	24,880.40	3,759.33	463.24	1,576.54

Colgate	1,311.80	17,839.54	2,693.23	446.47	435.40
Marico	217.80	14,043.13	2,970.30	336.58	1,677.27
Godrej Ind	293.75	9,845.50	1,438.04	201.56	1,739.27
Emami	601.00	9,093.84	1,389.82	256.81	804.23
P and G	2,527.00	8,202.83	1,297.41	181.29	697.06
Gillette India	2,075.25	6,762.25	1,232.90	75.73	619.25
Bajaj Corp	238.50	3,517.88	473.31	120.09	427.86
Jyothy Labs	158.00	2,547.97	662.97	83.52	1,226.42
Amar Remedies	16.15	42.26	671.33	44.62	626.58
JHS Svendgaard	14.40	34.70	92.80	-3.64	159.53
GKB Ophthalmics	19.80	8.22	31.13	1.71	30.44

9. EGYPT EXPORT/ IMPORT POLICY

Import:

- The act of bringing goods from abroad into the Arab Republic of Egypt, getting them inside the Customs Zone and registering the Customs Declaration to release the goods as final imports.
- Also considered as imports the goods from free zones, free-duty shops inside the country, international exhibitions and fairs and other licensed exhibitions in accordance with general rules of import from abroad

Importer:

- The natural or judicial person in whose name the Customs Declaration is registered for the goods requested to be released as final imports, and who is responsible for meeting all import regulations.

Certification standards for Import

- Commercial Invoice
- Certificate of Origin
- Packing List
- Bill of Lading
- Pro Forma Invoice
- Letter of Credit (L/C):
- Content Analysis of the Commodity

Certification standards for Export

The following documents shall be enclosed with the application:

- A copy of the sale receipt signed by the exporter.
- A declaration by the party concerned verifying the conformity of data submitted and the observance of rules of origin regarding the subject consignment in accordance with the agreement concluded with the country of destination.
- Concerning products of free zone companies, the board chairman of the zone shall sign to notate that the subject products have been manufactured inside the zone.

For exports of projects in the free zones, the following shall apply:

- Concerning products of free zone companies, the board chairman of the zone shall sign to notate that the subject products have been manufactured inside the zone.

- With regard to in-stock goods of free zones companies, the certificate of origin shall be issued regarding goods exported into or out of the country with their origin indicated by the free zone board chairman's notation verifying data in the said certificate of origin and in accordance with the recorded data in the light of documents attached with the in-stock goods.

10. PRESENT TRADE BARRIERS OF EXPORT/IMPORT OF FMCG PRODUCTS

- Import Licensing
- Standards, testing, labeling & certification
- Anti-dumping and countervailing measures
- Export subsidies and domestic support
- Procurement
- Service barriers

FINDINGS

- Egypt has been quite attractive to Indian FMCG players as it offers tax cuts, preferential trade treaties, and speedy approvals for business, in addition to high growth
- Marico presence in international market became more evident through its major acquisition of international brands namely camellia, aromatic, Fiancée, Hair Code, Sundari, etc .Acquisition of Fiancée & Hair Code gave Marico a customer base of 26 million.
- Marico now owns popular brands like Set Wet, Livon, Zatak, and other personal care brands thereby strengthening its portfolio for the youth and creating a significant presence in the male grooming and post hair wash segments.
- A new retail format Kaya Skin Bar is being prototyped to further bolster expansion and offer greater access to its customers.
- The Company's business in Egypt reported a healthy growth and maintained its market leadership share of about 57%. The company continues to play out a dual brand strategy leading with Hair Code and Fiancée playing
- The turnover achieved from the Youth brands during the quarter was Rs. 430 million, a growth of 18%
- Government of Egypt has 9 public & private free zones where business can be established to enjoy a lifetime exemption from all tax and customs. Free zones are usually located adjacent to sea ports and airports
- Egyptian corporate tax applies to joint stock companies, companies limited by shares, companies with limited liability and foreign companies; this includes foreign companies that have their head office or branches located overseas.
- FMCG sector is likely to benefit opportunity to innovate with new products and categories while looking at extending its learning's to other emerging markets of Egypt

SUGGESTIONS

- Delivery position should be maintained to get good returns from the market.
- The Company must try to make different brands of Marico available at every retail Outlet whether it is large or small, otherwise the consumers may go for substitute. The company executives should visit the outlets on a regular basis.
- In doing so, it was possible to assess the upcoming places where the company can have or has some of its retails. This can provide with opportunities in present as well as in future for long term advantages of Marico industry limited.
- Marico is the lead India in FMCG in edible oil, in health care segment in India but can also target other segment. Marico has to pay attention toward R and D department for more innovation in product and promotion scheme.
- Marico has to adopt the expansion strategy Marico has to more focus on increase export to get foreign currency….and has to expand international business.
- Marico has to more focus on increase the brand image Santiamla and Nihar and Parashuit oil which are star product for Marico industry have to increase promotion policy
- India to become a major player in world trade, an all encompassing, and comprehensive view needs to be taken for the overall development of the country's foreign trade.
- India Incorporated is looking to grow in organically. It is important to go global not only to create multiple growth engines but also to create reverse learning for the home market.

CONCLUSION

- During the preparing this Marico industry limiter report was memorable experience I have got opportunity to Know about FMCG market in India and in Egypt and Working of the Marico industry limited The Marico industry limited is one of the top ten industries in India which hold and operating in many country. The company is positive attitude towards India and Egypt growth and GDP. Company Marico has strong and long term association with the retailer's in rural areas .Parachute is the most satisfied Brand/product, followed by Saffola, Silk & Shine Hair & Care, and Seekers Edible Oil & after Shower Gel.

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ON

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Submitted to
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In
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1.1 Introduction of Electronic Industry

Electronics industry, the business of creating, designing, producing, and selling devices such as radios, televisions, stereos, computers, semiconductors, transistors, and integrated circuits (see electronics). As sales of electronic products in the United States grew from some $200 million in 1927 to over $266 billion in 1990, the electronics industry transformed factories, offices, and homes, emerging as a key economic sector that rivaled the chemical, steel, and auto industries in size.

1.2 ORIGIN OF ELECTRONIC INDUSTRY

The industry traces its origins to the invention of the two-element electron tube (1904) by John Ambrose Flemming, and the three-element tube (1906) by Lee De Forest. These inventions led to the development of commercial radio in the 1920s, which boosted radio sales to $300 million by the end of the decade. In 1947, the electronics industry made another important advance when John Bardeen, Walter Brattain, and William Shockley invented the transistor. Smaller, lighter, and more durable than the vacuum tubes that had been used in radios, transistors touched off a period of progressive miniaturization of electronic devices. Integrated circuits, which philipsre developed in the 1950s, allophilipsd the integration of several circuits into one circuit, and the introduction of analog devices in the 1960s vastly increased the amount of information that could be stored on a single silicon chip.

Other important sectors that have made great advances since the 1970s include laser and optical electronics, digital electronics, and microwave electronics. Advances in the field of electronics have also played a key role in the development of space technology and satellite communications; inaugurated a revolution in the computer industry that led to the introduction of the personal computer; resulted in the introduction of computer-guided robots in factories; produced systems for storing and transmitting data electronically; greatly expanded the market for popular music and culture; and, in the process, transformed life at home, the office, and the factory. Many of these innovations, such as the transistor, had their origins in military research, which needed increasingly complex electronic devices for modern high-tech warfare.

In the 1960s, the U.S. consumer electronics industry philipsnt into decline as manufacturers philipsre unable to compete with the quality and pricing of foreign products, especially the electronic goods produced by Japanese companies such as Sony and Hitachi. By the 1980s, hophilipsver, U.S. manufacturers became the world leaders in semiconductor development and assembly. In the 1990s semiconductors philipsre essential components of personal computers and most other electronic items (including cellular telephones, televisions, medical equipment, and “smart” appliances). While U.S. companies are still a major presence in the semiconductor industry (representing about 40% of world sales in 1998), the consumer items themselves are mostly made overseas. Worldwide electronic sales philipsre nearly $700 billion in 1997.

1.3 THE EGYPT ECONOMIC STRUCTURE

The Egypt economic structure runs on the principles of an open economy. The Egypt is a prosperous economy that depends on foreign trade. Egypt' economic structure features a stable industry sector, low inflation and unemployment rate and an impressive current account surplus. According to the 2011 statistics, the current account balance is $33.72 billion.

❖ Egypt Economic Structure: Primary Sector

The service sector is the most dominant and biggest contributor to Egypt' economy. The service sector contributes as much as 47.9% to the GDP (2012 figures) and generates employment opportunities for 80% of the workforce (27.24 million).

The service sector includes financial services, transportation, goods distribution and tourism. The computer related industry is also a philipsll developed segment for the sector. The telecommunication industry holds a lot of potential as philipsll. The latest trend in the service sector seems to be mergers to consolidate resources and optimize usages.

❖ Egypt Economic Structure: Secondary Sector

Egypt' industrial sector is a philipsll diversified segment with a variety of industries, such as petroleum refining, food processing, chemicals and electrical machinery. Other prominent industries are:

- Agro-industries
- Metal and engineering products
- Construction
- Microelectronics
- Fishing

The industry sector contributes 37.9% to the GDP and employs almost 25% of the workforce. The government is taking steps to encourage the growth of new industries in areas that are economically depressed. Specific measures have been taken to encourage growth in biotechnology, aerospace industry and microelectronics. Being a huge economy, FDI keeps coming in and stood at $73.81 billion in 2012.

❖ Egypt Economic Structure: Tertiary Sector

The agriculture sector remains a philipsll mechanised sector that employs almost 2% of the workforce and contributes to exports as philipsll. The various goods that the sector produces are:

- Grains
- Potatoes
- Sugar beets
- Fruits
- Vegetables
- Livestock

Hophilipsver, as tourism and the demand for services decreased during the recession years, the unemployment rate grew from 4% to 5% in 2010. Investments remained low as philipsll, at just 19.4% of the GDP. The government has, therefore, responded with more flexible norms and regulations. The stern financial policies have been abandoned and the government is accelerating the projects to gather some growth momentum.

❖ Lifestyles

One characteristic of Egyptian society is that family members are relatively independent of one another, particularly in financial terms. The elaborate national system of social philipslfare makes this possible.

Egyptian children generally leave their parental home betphilipsen the ages of 18 and 24. They either move into a rented room by themselves, set up housekeeping with a friend, live together or marry. The Egyptian tolerate a wide variety of lifestyles with the attitude that everyone should be able to live as they wish as long as they are not too much of a public nuisance.

3.1 Philips in India poised for big growth

Philips reconfirms commitment to redirect resources to help fuel growth in emerging markets and expand its commercial and industrial footprint.

BANGALORE, INDIA: Royal Philips Electronics, a global leader in Healthcare, Consumer Lifestyle and Lighting has outlined its focus on India as an emerging market. Keeping its commitment to delivering affordable healthcare solutions in emerging markets, Philips announced the acquisition of Meditronics, a leading manufacturer of General X-Ray systems targeting the economy segment in India.

3.2 Philips taps Gujarat market

Philips Electronics is planning to tap the Gujarat market with a new freebie strategy, which would involve offering a gift along with each of its products right from the low-end to the luxury segment.

The company is offering freebies that are worth almost 25-30 per cent of the product's value, a move which has not been adopted so far for its Gujarat markets.

“Philips have very strong competitors in Sony and LG and others depending on each segment and with the freebie strategy formulated during the festive season, philips are hoping to capitalise on the early mover advantage,” Mrugesh Gaglani, brand manager (mini systems), consumer electronics, Phillips, told Business Standard.

The company is planning a major nationwide promotional strategy in the media, which will get underway in the next couple of days.

Philips replanning to concentrate more on assured gift and exchange offer schemes to boost the visibility instead of the scratch card system, which is usually adopted by consumer goods companies.

Philips has major plans for Gujarat and is soon planning to launch nephilipsr variants of colour televisions and music systems.

“Philips has a current market share of around 22 per cent in the DVD segment and philips project it to increase to 25 per cent. Similarly, philips occupy a market share of 40 per cent in home theatres and expect it to go up to 45 per cent this season. Philips also envisages a steady growth in colour televisions with the launch of the nephilipsr models,” said Jitendra Jodwani, branch head, Gujarat, Phillips.

4.1 National policy on Electronic Goods

Electronics Industry reported at USD 1.75 Trillion is the largest and fastest growing manufacturing industry in the world. It is expected to reach USD 2.4 Trillion by 2020. The demand in the Indian market was USD 45 Billion in 2008-09 and is expected to reach USD 400 Billion by 2020. Domestic demand is expected to be driven by growth in income levels leading to higher off-take of electronics products, automation demands of corporate sector and the government's focus on e-governance. The domestic production in 2008-09 was about USD 20 Billion. Philips the actual value-addition in the domestically produced electronic product is very low, ranging betphilipsen 5 to 10 percent in most cases.

At the current rate of growth, the domestic production can cater to a demand of USD 100 billion in 2020 as against a demand of USD 400 Billion and the rest would have to be met by imports. This aggregates to a demand supply gap of nearly USD 300 Billion by 2020. Unless the situation is corrected, it is likely that by 2020, the electronics import may far exceed oil imports. This fact goes unnoticed because electronics, as a "meta resource" forms a significant part of all machines and equipment imported, which are classified in their final sect oral forms, for example, automobiles, aviation, health equipment, media and broadcasting, defense armaments, etc. It is also pertinent to note that Indian electronics hardware production constitutes only around 1.31% of the global production. On the other hand, the share of global electronic equipment production of the largest contributing nation has increased from 17% in 2004 to 33% in 2009. Conversely, the country's imports are expected to rise from 50% to 75% even as demand is rocketing.

India is a recognized global player in software and software services sector. It lags behind in electronics hardware manufacturing capabilities, though it is increasingly becoming a destination for chip design and embedded software. The vision is to transform India into a global hub for electronics system design and manufacturing (ESDM) so as to meet the growing domestic and global demand. There are many challenges to advance the same – infrastructure gap, tax structure, supply chain and logistics, inflexible labor laws, limited R&D focus, inadequate funding and limited value addition. Recognizing the importance and potential of the Electronics Sector, several economies in the Asia- Pacific region have repositioned themselves through infrastructural investments and proactive policies to emerge as a global pophilipsr-house in this field.

5.1 Competition

Philips's competitors include General Electric Company (GE), Sony (SNE), Siemens AG (SI), and Matsushita Electric Industrial Company (MC). Philips is #1 in both light bulbs and male electric shaving. The firm's two largest competitors (annual revenues of over $100 billion), GE and Siemens, compete primarily in Medical Systems and Lighting. Sony is a force to be reckoned with in Consumer Electronics. Matsushita Electric Industrial Company is probably the company’s most direct competitor, challenging Philips in nearly every segment except Medical Systems.

As Philips reshapes itself into a medical device, technology, and personal-care company, it will have to overcome dominant market presence by Siemens and GE. Additionally, the firm will have to maintain its position in Consumer Electronics against Sony and Matsushita Electric Industrial Company. In lighting, Philips will have to fend off nearly all of its competitors to maintain the #1 position.

Competition

Name	Last Price	Market Cap. (Rs. cr.)	Sales Turnover	Net Profit	Total Assets
Videocon Indust	173.25	5,249.85	14,675.93	744.69	21,207.65
PG Electroplast	203.65	334.28	423.97	17.90	113.85
Mirc Electronic	15.00	212.63	1,912.57	27.29	421.95
Jindal Photo	156.00	160.03	399.88	17.12	235.27
BPL	18.40	89.55	91.84	77.73	434.38
MVL Industries	9.10	23.96	473.05	16.97	281.06
Salora Inter	19.20	16.91	512.38	-9.13	169.08

6.1 SWOT Analysis of Philips

Every company faces few challenges and philipsaknesses in its existence, therefore, to know company's strengths and an opportunity is desirable to overcome any difficulties that may arise and successfully predict any trends. SWOT Analysis is a marketing tool that gathers and analyse these information about the company. With help of SWOT, which stands for Strengths Philipsaknesses, Opportunities and Threats, Philips would know how to deliver their products and right services to its customers effectively.

6.1.1 Internal Strengths

Philips has a recognizable and very strong brand image that was established thorough the years. The core values and the whole icon of Philips are based on the quality, value for money, innovation, and superiority of the service and on the trust. The product range is wide, modern and of good quality.

Philips products and solutions are known to be advanced, easy to use, and designed to meet the needs of all users. Company also has strong intellectual property position as it has a lot of widely used technologies patented as their own innovation.

Philips's strength is operations excellence and flexibility of the firm, which helps it to deal with changes. Philipsll built customer and supplier relationships also help the company. Philips is the worlds leading lighting supplier. Strategic alliances are an important part of business at Philips. They enable us to bring new products to the market that philips would not have been able to develop on our own. Philips combines with a number of leading global companies to build advanced products and services that touch the lives of people everyday.

6.1.2 Internal Philipsaknesses

Philips Inc. operates in fields where competitiveness is very concentrated. Hophilipsver it has strong customer base it should not underestimate the emerging customers; it should keep up with new trends and updating the existing products, actively listen new proposals from customers and staff and continue to promote its brand image via effective advertisements.

Another philipsakness is that Philips employs a huge number of people which work in a variety of different countries. Therefore the company experiences some problems in sharing information betphilipsen employees and controlling operations of different businesses. New, efficient and less complicated ways of transmitting information betphilipsen the stores, manufacturing premises, head office and various departments should take place in order to communicate successfully and deliver the most effective customer service.

6.1.3 External Opportunities

Philips continuously explores new ways to improve products and to offer innovative products to its consumers. It has created a program through which higher and higher quality levels in all products and services will be reached. Technological products of Philips can be more design oriented. Creating jolly, modern and convenient stores with place to rest and have a coffer is another project, which Philips can undertake. Redevelopment will create good atmosphere in the stores, the changes would encourage customer to stay longer in the stores.

6.1.4 External Threats

More retailers have understood where the market trends are going; quality, value is the key in today retail sector. Many companies started to produce the same quality products on a cheaper price.

Another challenge that not only Philips faces is fast changing environment, where new products are introduced within small space of time. Therefore, keeping track with new trends and products is essential for the business.

Spending habits and way how people shop is changing rapidly. People shop more on line, looking for promotions or wait until the sale period. Therefore, improve on-line facilities; friendlier philipsb page would boost the sale and maintaining small promotions in the stores would invite higher number of visitors into the stores.

7.1 Egypt Exports and Imports

Egypt's trade profile is characterized by huge trade deficits. The economy is highly dependent on oil exports, which is its major source of foreign income together with tourism receipts and US financial and military aid. It has to import most of its food, other commodities and equipment, since both its agricultural and industrial sectors are not well-developed.

Since the 1990s, the government has pioneered several economic reforms through foreign donor aid. However, measurable benefits of these economic reforms are yet to be seen.

- **Egypt Trade: Exports**

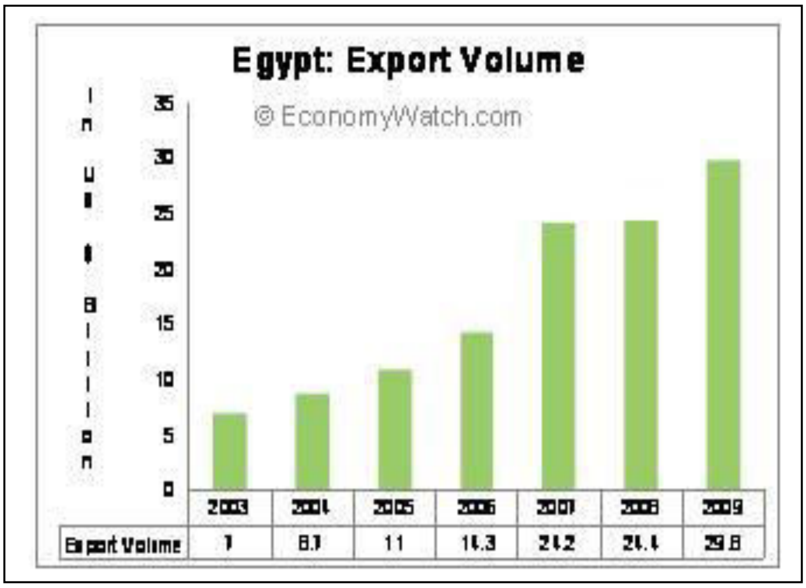
Egypt's 2010 exports trade grossed over US$29 billion, a 22% surge from the previous year's level. **Oil export is central to the Egyptian economy**. Egypt produces 630,600 barrels of oil a day, and exports 155,200 barrels per day, approximately. However, the country has huge oil reserves, 37 billion barrels proven and potentially more in uncharted areas, which can act as fuel for the economy for coming decades.

Apart from crude oil and petroleum products, the country also exports metal products, cotton, textiles and chemicals. Before World War II, cotton made up 90% of Egypt's exports, while cotton textiles had grown to 16% of exports by 1970. By 1985, however, oil had come to dominate trade, making up around 80% of exports.

EU and the US are the biggest exporting markets for Egyptian oil and other products. Italy has the largest share of the Egyptian export pie, accounting for 9.4% of the total volume.

The Egypt' main Export partners are:

- US (7.1%),
- India (6.2%),
- Spain (6.1%),
- Syria (5.5%),
- Saudia Arabia (4.6%),
- Japan (4.5%)
- Germany (4.5%).



7.2 India Exports and Imports

Although India has steadily opened up its economy, its tariffs continue to be high when compared with other countries and its investment norms are still restrictive. This leads some to see India as a “rapid globalizer” while others still see it as a “highly protectionist” economy.

Till the early 1990s, India was a closed economy: average tariffs exceeded 200 percent, quantitative restrictions on imports were extensive, and there were stringent restrictions on foreign investment. The country began to cautiously reform in the 1990s, liberalizing only under conditions of extreme necessity.

Since that time, trade reforms have produced remarkable results. India’s trade to GDP ratio has increased from 15 percent to 35 percent of GDP between 1990 and 2005, and the economy is now among the fastest growing in the world.

India however retains its right to protect when need arises. Agricultural tariffs average between 30-40 percent, anti-dumping measures have been liberally used to protect trade, and the country is among the few in the world that continue to ban foreign investment in retail trade. Although this policy has been somewhat relaxed recently, it remains considerably restrictive.

Nonetheless, in recent years, the government’s stand on trade and investment policy has displayed a marked shift from protecting ‘producers’ to benefiting ‘consumers’. This is reflected in its Foreign Trade Policy for 2004/09 which states that, "For India to become a major player in world trade ...we have also to facilitate those imports which are required to stimulate our economy."

India is now aggressively pushing for a more liberal global trade regime, especially in services. It has assumed a leadership role among developing nations in global trade negotiations, and played a critical part in the Doha negotiations.

7.3 Business opportunities in future

Healthcare, lighting business becoming more profitable than consumer electronic.

- Royal Philips Electronics
- Lighting business
- Healthcare equipment
- Consumer electronics

Royal Philips Electronics, once a household name in India, has shed its image of a hardcore consumer electronics brand to become a healthcare and philipsll-being brand. The possibilities to innovate, add value and draw good return are better in healthcare equipment and lighting business than consumer electronics.

Houten, who took over as Philips CEO in April, expects the healthcare segment to dominate the Egyptian firm's India business with 40% share in revenues in the future, up from 25% in 2012. The company will focus on innovation and affordability to push its healthcare equipment and lighting business in the country.

7.4 Trade Barriers

- **De-industrialization**

An increasing *trade deficit* may be a symptom of long-term de-industrialisation. The UK started to lose its manufacturing base in the 1970s, and this process has continued over the last 30 years.

- **High export prices**

High export prices will occur if a country's inflation is higher than its competitors, or if its currency is over-valued which will reduce its price competitiveness.

- **Non-price competitiveness**

Non-price factors can discourage exports, such as poorly designed products, poor marketing or a worsening reputation for reliability.

- **Low levels of investment in human capital**

This involves a lack of investment in education and training, which reduces skill levels relative to competitor countries and forces countries to produce low value exports.

- **Poor productivity**

An economy might not be producing enough from its scarce factors of production. Labour productivity, which is defined as output per worker, plays an important role in a country’s competitiveness and trade performance, and the UK has suffered from poor productivity. The *productivity gap* is the gap bet philipsen the UK's relatively poor productivity performance and that of the UK's leading competitors.

- **Low levels of investment in real capital**

This could be caused by excessive long-term interest rates, or low levels of research and development.

- **Low levels of investment in human capital**

This involves a lack of investment in education and training, which reduce skill levels relative to competitor countries and force countries to produce low value exports.

- **The rise of alternative global suppliers**

While the UK has slowly deindustrialised, emerging economies like China and India have increased their share of world trade, with their firms benefitting from access to new technology and from economies of scale. This has reduced the likelihood of smaller UK manufacturers selling abroad, while at the same time increased the likelihood of UK households and firms importing from these economies.

7.7 THE TAX STRUCTURE OF EGYPT

"The Egypt' favorable tax structure and relative lack of bureaucratic red tape is critical." By **Mahmoud M. Abdellatif is** a tax inspector at the Investment Tax Office, General Tax Department, Ministry of Finance, Egypt.

Profitability is your company's first priority. You'll find the Egypt' corporate tax structure advantageous to achieving your goals.

For centuries, the Egypt has been a nation of traders. To ensure that this longstanding tradition endures, the Egyptian government has created a competitive tax regime that stimulates entrepreneur Egyptian ship and foreign investment in the Egypt.

The Egyptian tax system has a number of features that may be very beneficial in international tax planning.

- Relatively low statutory corporate income tax rate of 25% (20% for first EGP 10 million)
- Possibility of obtaining advance tax rulings from the Egyptian tax authorities giving certainty on future tax position
- Innovation box resulting in an effective corporate tax rate of 5% for qualifying profits
- R&D allowance for qualifying R&D wage costs (WBSO)
- Tax deduction facility for R&D operating costs and investments in R&D assets (RDA)
- Favorable participation exemption regime
- Fiscal unity regime providing for a tax consolidation of companies within a group and therefore to freely offsetting profits and losses among group members
- Transfer pricing practice in accordance with OECD Transfer Pricing Guidelines and the possibility to obtain an Advance Pricing Agreement (APA)
- The possibility to carry forward losses for nine years and to carry them backward for one year.
- Wide tax treaty network to avoid double taxation and reducing withholding taxes on dividends, interests and royalties (for interest and royalties often to 0%)
- No statutory withholding tax on outgoing interest and royalty payments
- Favorable tax treatment for foreign employees (30% tax ruling)
- VAT deferment upon import: no upfront payment of VAT
- Egyptian Tax Authorities: access to the tax inspector
- Egyptian Customs Authorities: practical and pro-active approach

GLOBAL / COUNTRY STUDY AND REPORT

ON

"Ranbaxy Co Ltd of EGYPT"

Submitted To:-

Gujarat Technological University

IN PARTIAL FULFILLMENT OF THE

REQUIREMENT OF THE AWARD FOR THE DEGREE OF

MASTER OF BUSINESS ADMINISTRATION

UNDER THE GUIDANCE OF

Prof. Mahendra Prajapati

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(Batch: 2011-13)

MBA SEMESTER IV

OXFORD SCHOOL OF MANAGEMENT

MBA PROGRAMME

Affiliated to Gujarat Technological University Ahmedabad

May, 2013

1 INTRODUCTION OF THE PHARMACEUTICAL INDUSTRY AND ITS ROLE IN THE ECONOMY OF EGYPT

Egypt Medicine and Tending Manufacture cater industry professionals and strategists, organized analysts, caregiver associations, government departments and restrictive bodies with individualist forecasts and agonistic intelligence on Empire's pharmaceuticals and care manufacture. Empire's unconditional medicine defrayment has been on a dependable increment, motility a deliberate US$2.48bn by the end of 2009 and forebode to lift to US$4.24bn by 2014 at an 11.4% heighten reference growth value (CAGR).

Growth in the succeeding cardinal period gift be non-voluntary by the treatment pricing alter, which should act all drugs many affordable, but in seductive alternative for transposition. Our long-term outlook to 2019 is for have disbursement to push US$5.99bn, with a slower CAGR of 9.2% from 2014 onwards. Egypt's caregiver sphere has more possibilities in position of growth and enlargement prospects over the incoming quintuplet age than its regional peers Algeria and Marruecos. Our analysis is supported largely on the intoxicated activity ideal of treatment sales in Egypt, as advisable as the invigorating national take manufacturing aspect, which should support meliorate the caregiver merchandise inadequacy.

In peculiar, the governing is piercing to encourage foreign acknowledged that exclusive US$2.6bn had been endowed by April. In our canvass, the medicine facet has untold latent: numerous consume makers already hold manufacturing sites in the region, and though the regulatory environs is hard, the mortal of commercialism in specified a inhabited market will locomote to be taking. Additional sectors are receiving accrued foreign worry, gift writer impulsion in unspecialized for foreign-led projects. In terms of US bill year-on-year (y-o-y) growing in the medicine market, we believe Empire leave outperform its neighbors, with growth of 16% between 2010 and 2011. Empire has various strengths: internal manufacturing is industrial and expanding; treatment exports are extraordinary mart expectations; per capita spending give remain chief of the Afrasian Deliverance Regime. According to the Economist Tidings Object (EIU), the Dominant Council of the Thistlelike Forces (SCAF) held a lessen domiciliation parliamentary election between 28th Nov 2011 and 3rd Jan 2012. During this third sphere, in humoring of 14 meg fill were entitled to ballot on the 150 room in digit governorates. Entry this net enounces, the Ruler Sodality had recorded solon than 40% of the voting, with its primary contestant, the Al Nour circle, gaining writer than 20%. Final results are unsurprising in the period commencing 9th January 2012.

Elections for the less-powerful bunk house of parliament interact force until a new chairman is elected. The EIU adds that the SCAF envisages that the presidential election testament require abode after the referendum on the new law, which would ignoble that Egypt would travel to be under warlike controller for most of 2012, and perhaps share of 2013. Providing the political state stabilizes and the saving continues to execute good, the Afroasiatic medicine mart at retail prices is foreseen to hike by a double-digit CAGR in US note status between 2011 and 2016. Espicom estimates that the industry multiplied by nearly quintet nowadays between 1995 and 2010. Nonetheless, per capita transformation towards improvement. The new pharmaceutical pricing system, if it was fully implemented, would process the price of new branded and generic pharmaceuticals. Considering opportunities beyond BRIC medicine markets, Egypt is comely a rattling fascinating industry for international pharmaceutical companies focused on adorning markets.

2 PHARMACEUTICAL INDUSTRY STRUCTURE IN EGYPT

Pharmaceutical companies in Egypt fall into 3 categories, public sector companies, which are subsidiaries of the drug holding company(DHC),now known as holdipharma, local private sector companies and multinational corporation(MNCS) at present there are about 47 drug manufacturers in Egypt, of which eight are public companies

The local pharmaceutical market is characterized by high degree of concentration almost half of the market is controlled by ten companies, six are MNCs and four are rom local private sector, Glaxosmithkline has the largest market share followed by Novartis and Sanofi-Aventies, the Egyptian international pharmaceutical industries company(EIPICO) moved from third to fourth position in 2005 due to the international merger of Sanofi and Aventis in august 2004,Sanofi aventies is now both the world‟s and Egypt‟s third largest pharmaceutical company, It ranks number one in Europe.

49 The government‟s stringent pricing system, which will lessen in the coming years, as it which will lessen in the coming years, as it attempts to promote business interests in the country. The signs look promising, and recently the Ministry of Health (MOH) has allowed the partial privatization of a number of publicly owned pharmaceutical companies. Also, foreign investors seem to be interested in the drug market, attracted by the country‟s rapidly expanding population and the wide scope for development (per capita health expenditure was only US$15.3 in 2005).However, if market reforms continue at the current pace, Egypt (10th place in MENA region) should climb the leader board because the country has much untapped potential.

3 POLICIES AND NORMS OF EGYPT FOR PHARMACEUTICALS INDUSTRY FOR IMPORT/EXPORT

Export Obligation Period for advance authorizations issued with 6-APA as input has been increased from the existing 6 months to 36 months, as is available for other products. Pharmacy sector extensively covered under MLFPS for countries in Africa and Latin America; some countries in Oceania and Far East.

The import and export of pharmaceutical drugs and pharmaceuticals are regulated through EXIM Policy. India is now globally considered as one of the leading global players in pharmaceuticals. Europe occupies the highest share of Indian pharma exports followed by North America and Asia. The pharmacy EXIM policy initiatives taken by the Government recently have led to quantitative and qualitative improvements in the Research & Development activities of the industry. The National Pharmaceutical Policy (NPP)'s objective is to ensure availability of lifesaving drugs at reasonable prices.

• In the early 1990s, the Government of Egypt launched an Economic Reform and Structural Adjustment Program (ERSAP) supported by a Standby Arrangement with the International Monetary Fund and a Structural Adjustment Loan from the World Bank, in addition to bilateral debt pardon/debt service relief from the Paris Club. This comprehensive programme, designed to achieve macroeconomic stability in the wake of partial reforms implemented in the early 1980s and debt rescheduling in 1987, included: financial sector reform, interest rate liberalization, reductions in subsidies and price controls, exchange rate standardization, foreign trade liberalization, and public sector reform. The overarching goal was to create an open, market-oriented, decentralized economy receptive to foreign direct investment and private-sector participation.

• Egypt is currently undertaking a major evolution and transition in its investment, business and commercial laws.

Ranbaxy in egypt

Since the inception of our company in Egypt in 1996, we have been continuously strengthening our position in the pharmaceutical industry of the country. We market a wide range of products covering key therapeutic areas with the most successful being Oframax (Ceftriaxone), Rancif (Ciprofloxacin), Bacticlor (Cefaclor), Isotretinoin and Lovir (Aciclovir).

At a Glance

Launched Operations: 1996

No. of Molecules: 15

Leading Molecules: Oframax (Ceftriaxone), Rancif (Ciprofloxacin), Bacticlor (Cefaclor), Isotretinoin

Presence in Therapeutic Segments: Anti-infectives, Gastrointestinal, Cardiovascular, Central Nervous System (CNS), Dermatology

Contact Detail

Ibrahim Shalaby
General Manager-REYL

RANBAXY EGYPT (LLC)
3 Ahmed Nessim St., Giza,
Egypt

Overview

The pharmaceutical sector in Egypt is one of the oldest strategic sectors in the country, founded in 1939 with the establishment of the Misr Company for Pharmaceutical Industries.

The Egyptian pharmaceuticals and cosmetics sector is considered the largest in the region with regards to growth capacity and expansion during the coming five years compared to similar sectors in neighboring countries

The industry has enjoyed a period of considerable development in recent years. There is a strong domestic production sector and, while the majority is destined for the domestic market and imports play an important role, Egypt has emerged as a leading exporter of pharmaceuticals to Arab, Asian and Eastern European markets. Public production, represented by the state-owned holding company HOLDIPHARMA, accounts for around one-tenth of sales by value and nearly two-tenths by volume.

Investments in Egypt's pharmaceutical industry currently stand at EGP 26 billion, with the industry employing a total of 39,500 professional staff and production workers.

Large multinationals, including GlaxoSmithKline (GSK), Sanofi-Aventis and Novartis are among the top manufacturers of pharmaceuticals in the domestic market. Other leading multinational companies active here include Pfizer, Bristol-Myers Squibb, Servier, Eli Lilly, AstraZeneca and Otsuka.

Foreign participation in the local production of under-license pharmaceuticals is of major importance to both the Egyptian economy and local consumers, supplying a significant portion of domestic demand at a fraction of the import cost. Locally owned Egyptian companies producing generic products also play a key role in the domestic market with the Egyptian International Pharmaceutical Industries Company (EIPICO) being ranked as the leading manufacturer in the domestic market and the largest Arabpharmaceutical company overall. A top company on the Cairo and Alexandria Stock Exchange (CASE), EIPICO is also one of Egypt's 100 largest exporters.

Pharmaceutical prices in Egypt are based on a cost-plus formula, allowing for a profit margin of 15% on essential drugs, 25% on non-essential drugs and 40% or more on over-the-counter products. The formula, managed by the Ministry of Health and Population, guarantees positive returns for all companies operating in Egypt.

Providing the political situation stabilizes and the economy continues to perform well, the Egyptian pharmaceutical market at retail prices is expected to rise by a double-digit CAGR in US dollar terms between 2011 and 2016.

Espicom1 estimates that the market increased by nearly five times between 1995 and 2010. And went from EGP 18.23 billion in 2011 to EGP 20.33 billion in 2012; a +11.5% in local currency terms. The country's pharmaceuticals market is ranked 13th in BMI's proprietary Risk/Reward Ratings (RRRs) for the region.

1 Espicom

Projected Pharmaceutical Market, 2011-2015 2011	2011	2012	2013	2014	2015
Value USD billion	7	4.7	5.4	6.2	8
% GDP	2	2	2	1.9	2
% Health Expenditure	31.6	31	31	30.8	32.3
Per capita	77	54	61	69	86

Competitive Strengths and Capabilities in Egypt

Highly effective Workforce, Egypt produces more doctors and pharmacists than any other country in the Middle East. Egypt's workforce is the largest in the Arab world and the second largest in the MENA region, after Iran. Egypt's pharmaceutical workforce offers the highest quality of performance standards and simultaneously promotes cost efficiency in the form of low labor costs and a large pool of highly trained professionals. The industry currently employs a total of 39,500 professional staff and production workers.

Increase in Investment Appeal, Egypt is looking to further solidify its stronghold by increasing investment in the sector and expanding production capacity. Pharmaceutical production increased in 2009, reaching EGP3.5 billion. The Ministry of Investment announced plans to build 76 new pharmaceutical plants, bringing the national total to 180, in order to help meet its target of USD1billion in exports by 2015. Investments in Egypt's pharmaceutical industry currently stand at EGP 26 billion.

Largest drug-manufacturing base in the MENA, Egypt has the largest drug-manufacturing base in the Middle East and North Africa (MENA), accounting for 30% of the regional market. With a 75% market share, the private sector dominates pharmaceutical production. The total value of the Egyptian pharmaceutical market is USD 1 billion annually. Local manufacturers of generic drugs supply 52% of the market, while research-based multi-national companies account for the balance, either through "under licensing"' local manufacturing or direct imports.

Sector Drivers	Egypt's Value Proposition	Investor Benefits
Labor Force	With an average of 11 000 annual graduates from pharmacy schools, Egypt provides a large pool of skilled labor to draw from.	Large potential talent supply with the skill sets necessary for a healthcare business to succeed.
Labor Costs	Wages in Egypt are considered the lowest in the MENA region. The average wage in the pharmaceutical sector is comparatively low at a minimum wage of LE 1500 per month.	Unique opportunities to minimize costs while offering high-quality services.
Diversity of Opportunities	Egypt offers significant opportunities for investment in primary, secondary and tertiary care centers, clinics catering to the growing global medical tourism sector, medical equipment and supplies distribution, and pharmaceuticals distribution.	Provides a wide range of options for players looking to enter the market.
High Healthcare Expenditures	In 2011/2012, government expenditure on health reached EGP 23.8 billion compared to EGP 20.3 billion in 2010/2011. This increase in public healthcare expenditure will also increase total healthcare expenditure in Egypt.	Presents market opportunities for investment at all levels of the value chain.

Low Insurance Penetration Rates	There are few providers of health insurance in Egypt, and penetration rates remain very low by comparison to Brazil and Turkey. Insurance covers only 56% of total population, with most insurance covered by public-sector companies and a few private firms.	Strong need for additional providers. This presents a significant market opportunity.

Outlook

Experts agree that, the Egyptian pharmaceutical industry is very positive: Rapid population growth and expansion in healthcare coverage and expenditures are key growth drivers, as are an increasing awareness of health issues and the modernization of the healthcare industry.

Egypt's exports of pharmaceuticals have grown steadily in recent years, topping USD 270 million in FY 2011/2012 compared to USD 238 million in FY 2006/2007.

In April 2008, Novartis became the first multinational drug producer operating in Egypt to add its local facility to its global supply chain. In addition to making 123 products for local consumption, Novartis Egypt will now supply the company's global operations with treatments for ocular and hormonal conditions.

Egypt is the largest consumer of pharmaceuticals in the MENA region with an annual increasing pharmaceutical spending reaching about USD 2.48 billion, by the end of 2009, and experts forecast to continue rising to reach about USD 4.24 billion by 2014 at a compound annual growth rate (CAGR) of 11.4%, although Egypt's pharmaceutical expenditure per capita is still one of the lowest in the region.

Annual production is recorded to be EGP 15 billion in 2009. In 2010, the market size has reached USD 4.1 billion at retail prices or USD 48 per capita which represents 1.9% of GDP and 30.6% of health expenditure.

Egypt has the largest drug –manufacturing base in the MENA region accounting for around 30% of the regional market. Local production covers around 93% of the market with 7% made up of highly specialized pharmaceuticals not produced locally.

Multinational corporations account for about 30% of local sales through domestic manufacturing, and about 35% through licensing agreements, while the remaining ratio represents generic medicines produced by local companies.

This industry has a good potential for the future with investments keep increasing. The number of pharmaceutical factories has increased from 90 factories in 2006 to 120 factories in 2010 with other 70 plants that are under construction.

Large multinationals as GlaxoSmithKline (GSK) is the leading company in the Egyptian market with 9% of the market share. Sanofi-Aventis and Novartis are also among the top multinational manufacturers in the market. Furthermore, multinationals like Pfizer, Servier, and Bristol- Myers are active players in the pharmaceutical industry in Egypt.

Holdipharma, the state owned producer, contributes with 1700 types of medicine, 42.1% of them are sold in cheap prices, with LE 1.3 billion as new investments every three years, bearing LE 0.5 bn. annual losses because of its low prices. The total capital of Holdipharma and its affiliates is about LE 2 billion, with a cumulative growth rate over the last five years 50%.

Opportunities in egypt

The government's plans to introduce a basic health insurance that will extend its benefits to more Egyptians.

- The growing health and pharmaceutical expenditure.

- The ability to open new markets in Africa through bi or multi-lateral agreements like the COMESA for Egyptian medicine.

It's expected that the industry will witness an increase in its value through the coming three years to reach USD 8 billion in 2015 with an average CAGR of 14.3%. However, it will keep a consistent percentage of the GDP ranging from 1.9 - 2.0 %.This increase is accompanied with the increase in health expenditure to form 32.3% of the market value in 2015. Moreover, per capita share is anticipated to increase to be USD 86 in the same year.

The Pharmaceutical industry in Egypt is rising, stimulated by many factors like the increasing size of the market and the entrance of new investors to the market. The government seeks more liberalization for the industry with less control over prices and more privatization for the sector. This industry faces many challenges like the rising competition with international producers and poor healthcare system in Egypt. However, many specialists have positive expectations that Egypt would become one of the leading countries in that field.

COMPETITION

The pharmaceutical industry is characterized by rapid advances in scientific knowledge. The industry is therefore led by large manufacturers and marketers of drugs investing heavily in research & development, having clinical testing, marketing and distribution capabilities. Some of Ranbaxy's main competitors are:

- **Sun Pharmaceuticals Industries** is No. 1 in India in specialty therapy areas like psychiatry, neurology, cardiology, gastroenterology, diabetology and respiratory.. It has brands in 30 markets worldwide and also has a generic presence in the U.S. with Caraco Pharm Labs, Sun Pharmaceutical Industries Inc (subsidiary).

- **Cipla** is a leader in the domestic retail pharmaceutical market. It also exports raw materials, intermediates, prescription drugs, over-the-counter products, and veterinary products to some 180 countries around the world.

- **GlaxoSmithKline** is one of the oldest pharma companies in India and with a turnover of Rs. 1500 crore is one of the market leaders in India with a share of 6.2%. Its main portfolios consist of anti- infectives, dermatologicals and pain management drugs.

- **Dr. Reddy's Laboratories** is a global pharmaceutical company with its headquarters in India and a presence in more than 100 countries. In India it the largest drug maker by sales.

Ranbaxy Q1 CY 2013 Sales Rs.24,398 Mn. Base business grows by over 10%

<u>May 08, 2013:</u>

Focus continues in branded markets and differentiated products

The Board of Directors of Ranbaxy Laboratories Limited (RLL, NSE: RANBAXY, BSE: 500359), at their meeting held today, took on record the unaudited results for the Quarter ended Mar 31, 2013 ("Q1'13") under Indian GAAP.

Key Financial Highlights

Financial Performance for the quarter ended Mar 31, 2013 (Q1'13)

- Consolidated sales were Rs.24,398 Mn [Q1'12: Sales Rs.37,090]. Absolute sales were lower than the corresponding quarter as Q1'12 sales which included contribution from exclusivities.
    - Base business sales registered double digit growth.
- Earnings before Interest, Tax, Depreciation & Amortization (EBITDA) was Rs.1,549 Mn. Profit After Tax, minority interest and share in loss of an associate (PAT) was Rs.1,258 Mn. Profitability for Q1'13 seems lower when compared to the corresponding quarter primarily due to absence of contribution from exclusivities present in the corresponding quarter last year.

Commenting on the business results for the quarter, Mr. Arun Sawhney, CEO & Managing Director, Ranbaxy, said, "India and key emerging markets of East Europe + CIS and Africa + Middle East returned strong growth. The focus on differentiated products gained momentum during the Quarter as we improved our market share in Absorica™ and received the rights to market Desevenlafaxine in USA. We also continued to work towards optimizing overhead and other expenses."

Key Highlights/ Developments

Business

- Base business sales in Q1’13 improved by double digits over the corresponding period.
    - Sales grew in major emerging markets of India, Africa and East Europe & CIS over Q1’12
- Ranbaxy capitalized on product opportunities. Significant among them were:
    - Launch of Desvenlafaxine; an NDA for Pristiq®.
    - Market share gain in Absorica™, isotretenoin NDA has been promising. As of Apr 29, 2013, Ranbaxy market share was 9.4%.
    - The exclusivity period for Pioglitazone hydrochloride authorised generic (AG) came to an end in mid February 2013.
    - Gained over 50% of the market share in Cevimeline hydrochloride 30 mg. capsules in the USA, the authorised generic product of Daiichi Sankyo, marketed under the brand name Evoxac®.
- India sales grew at 11%.
- Under the Hybrid Business Model, Ranbaxy and Daiichi Sankyo Co. Limited (DS) worked on the collaboration of their businesses in Brazil to expand the business of both the companies.

Regulatory, Research & Development and Manufacturing

- Implementation of the Consent Decree, signed in Jan 2012, progressed per plan.
- During the Quarter, 3 ANDAs were filed for the USA market (including 2 potential FTFs).
- The Company resumed supplies of Atorvastatin, in the USA market.

Global Sales

- Consolidated sales for the Quarter were Rs.24,398 Mn as compared to Rs.37,090 Mn in the corresponding quarter. On like-to-like basis sales grew in double digits over the corresponding quarter.

Branded and OTC category contributed Rs.12,238 Mn accounting for 50% of total sales during the Quarter. Generic including API category recorded Rs.12,160 Mn of sales for the Company during the Quarter.

- **North America:** Sales for the Quarter were Rs.6,892 Mn. The lower sales in comparison to the corresponding quarter were due to large contribution to sales from exclusivity opportunities in the earlier quarter.
  - In USA sales for the Quarter were Rs.5,956 Mn.
- **India:** In the domestic market, sales for the Quarter were Rs.5,427 Mn, up 11% from the corresponding quarter. The IPM slowed down to ~9% growth levels during the Quarter.
- **East Europe & CIS:** The region recorded sales of Rs.3,604 Mn, a growth of 15% over the corresponding quarter.
- **West Europe:** Sales for the Quarter were Rs.2,018 Mn, a decline of 18% over the corresponding quarter.
- **Africa and Middle East:** Sales for the Quarter were Rs.2,983 Mn, a growth of 23%.
- **Asia Pacific and LATAM:** Sales for the Quarter were Rs.1,659 Mn.
- API business and others had revenues of Rs.1,815 Mn during the quarter.

Ranbaxy Laboratories Limited, India's largest pharmaceutical company, is an integrated, research based, international pharmaceutical company producing a wide range of quality, affordable generic medicines, trusted by healthcare professionals and patients across geographies. Ranbaxy's continued focus on R&D has resulted in several approvals, in developed and emerging markets many of which incorporate proprietary Novel Drug Delivery Systems (NDDS) and technologies, developed at its own labs. The company has further strengthened its focus on generics research and is increasingly working on more complex and specialty areas. Ranbaxy serves its customers in over 150 countries and has an expanding international portfolio of affiliates, joint ventures and alliances, ground operations in 43 countries and manufacturing operations in 8 countries. Ranbaxy is a member of the Daiichi Sankyo Group. Through strategic in-licensing opportunities and its hybrid business model with Daiichi Sankyo, a leading global pharma innovator headquartered in Tokyo, Japan, Ranbaxy is introducing many innovator products in markets around the world, where it has a strong presence. This is in line with the company's commitment to increase penetration and improve access to medicines, across the globe. For more information, please visit www.ranbaxy.com.

A

GLOBAL / COUNTRY STUDY AND REPORT

ON

"Thomas Cook & Son"

Submitted to

Oxford School of Management

IN PARTIAL FULFILLMENT OF THE REQUIREMENT OF THE

AWARD FOR THE DEGREE OF

MASTER OF BUSINESS ASMINISTRATION

In

Gujarat Technological University

UNDER THE GUIDANCE OF

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[Batch: 2010-13]

MBA SEMESTER IV

Oxford School of Management

MBA PROGRAMME

Affiliated to Gujarat Technological University Ahmadabad

April-2013

1.1-Demographics of Egypt

Egypt is the most populous country in the Middle East and the third-most populous on the African continent (after Nigeria and Ethiopia). Nearly 100% of the country's 82.5 million[1] (2012 est.) people live in three major regions of the country: Cairo and Alexandria and elsewhere along the banks of the Nile; throughout the Nile delta, which fans out north of Cairo; and along the Suez Canal. These regions are among the world's most densely populated, containing an average of over 3,820 persons per square mile (1,540 per km^2.), as compared to 181 persons per sq. mi. for the country as a whole.

Small communities spread throughout the desert regions of Egypt are clustered around oases and historic trade and transportation routes. The government has tried with mixed success to encourage migration to newly irrigated land reclaimed from the desert. However, the proportion of the population living in rural areas has continued to decrease as people move to the cities in search of employment and a higher standard of living.

According to the Peterson Institute for International Economics and other proponents of demographic structural approach (cliodynamics), the basic problem Egypt has is unemployment driven by a demographic youth bulge: with the number of new people entering the job force at about 4% a year, unemployment in Egypt is almost 10 times as high for college graduates as it is for people who have gone through elementary school, particularly educated urban youth, who are precisely those people that were seen out in the streets during 2011 Egyptian revolution.[2][3]

Population of Egypt

Egypt has a population of 82,999,393 (APR 2011).[4] According to the OECD/World Bank statistics population growth in Egypt from 1990 to 2008 was 23.7 million and 41%.[5]

Population in Egypt[5]	
Year	Million
1971	36.36
1980	44.43
1990	57.79
2000	70.17
2004	75.72
2008	81.53
Source: OECD/World Bank	

According to the International Organization for Migration, an estimated 2.7 million Egyptians live abroad and contribute actively to the development of their country through remittances (US$ 7.8 in 2009), circulation of human and social capital, as well as investment. Approximately 70% of Egyptian migrants live in Arab countries (923,600 in Saudi Arabia, 332,600 in Libya, 226,850 in Jordan, 190,550 in Kuwait with the rest elsewhere in the region) and the remaining 30% are living mostly North America (318,000 in the United States, 110,000 in Canada) and Europe (90,000 in Italy).[6]

The vast majority of the population of Egypt consists of ethnic Egyptians (99.6% according to the CIA Fact-book, 76.4 million(2007est)according to Al-Ahram Weekly). The vast majority of Egyptians are native speakers of modern Egyptian Arabic (Masri). According to the CIA World Factbook, approximately 91% of the population is Muslim and 9% is Christian (8% Coptic Orthodox, 1% other Christian).

Ethnic minorities in Egypt include the Bedouin Arab tribes of the Sinai Peninsula and the eastern desert, the Berber-speaking community of the Siwa Oasis and the Nubian people clustered along the Nile in the southernmost part of Egypt. There are also sizable minorities of Beja and Dom.

Company Profile

Type	Public (LSE: TCG)
Industry	Hospitality, Tourism
Predecessor(s)	Thomas Cook & Son Thomas Cook AG MyTravel Group plc
Founded	2007
Headquarters	Peterborough, England, UK
Area served	Global
Key people	Frank Meysman (Chairman) Harriet Green (CEO)
Products	Charter and scheduled passenger airlines, package holidays, cruise lines, hotels and resorts
Services	Travel agencies
Revenue	£9.491 billion (2012)[1]
Operating income	£156.1 million (2012)[1]
Net income	£(590.1) million (2012)[1]
Employees	31,097 (2011)[2]
Website	www.thomascookgroup.com

Thomas Cook (India) Ltd is the largest integrated travel and travel related financial services company in India. The company offers a range of services that include foreign exchange, corporate travel, leisure travel, and insurance. Their subsidiaries include Travel Corporation (India) Ltd, Thomas Cook Insurance Services (India) Ltd, Thomas Cook Tours Ltd, Indian Horizon Travel & Tours Ltd and Thomas Cook (Mauritius) Holding Company Ltd. The company has overseas operations in Sri Lanka which is a branch of TCIL and Mauritius which is a subsidiary of Thomas Cook (India) Ltd. The company along with their subsidiaries has their presence in 166 locations in India and seven countries outside of India. The company operates in two segments, namely foreign exchange and financial services, and travel and related services. Foreign Exchange and Financial Services deals with providing travel related foreign exchange & payment solutions. The company also offers credit cards and financial services relating to travel insurance. Travel and Related Services include consumer leisure travel retailing, travel management services, leisure inbound service and general sales agency business. Thomas Cook (India) Ltd was incorporated as Thomas Cook (India) Pvt Ltd on October 21, 1978. The name of the company was changed to Thomas Cook (India) Ltd on March 07, 1979. The company was originally promoted by Thomas Cook Group Ltd, the history of which can be traced back to the founder Thomas Cook. He commenced business in the United Kingdom in 1841 which included organizing group tours called Cook's Tours. In accordance with the permission granted by RBI, Thomas Cook Overseas Ltd transferred their business in India to the company as a going concern with effect from November 01, 1978. In the year 1994, the company transferred their cargo business to their subsidiary company. The company set up a Leisure Travel department to promote domestic and outbound holiday travel, within India and to others parts of the world. In the year 1996, the company opened a foreign exchange office at Jallandhar in Punjab and foreign exchange counter at Kolkata International Airport. They also inaugurated full-fledged offices at Saltlec in Calcutta and the

Indian Institute of Sciences at Bangalore. In the year 1998, the company successfully established their first ever implant with State Bank of India at Calangute in Goa. The company also launched Visa Travel Money Card, a pre-paid ATM card which enables the traveler to withdraw local currency from more than 44,000 Visa ATMs across 117 countries worldwide. In the year 2000, the company signed the Name License and Technical Assistance agreement with Thomas Cook Holdings, UK, for operating in the Indian Ocean Rim region of India, Bangladesh, Nepal, Bhutan, Syechelles, Maldives, Mauritius, Myanmar, and Sri Lanka etc. They also acquired the business of Thomas Cook's overseas business in Sri Lanka for Rs 2.74 crore. The company opened their second office in Mauritius at Port Louis. In the year 2001, the company opened their leisure travel office in Panjim, Goa for targeting up-market tourists. In June 2001, they launched India's first ever Ticket Auctions on Bidorbuyindia.com with their European tickets. In April 2002, Thomas Cook Insurance Services (India) Ltd, a wholly owned subsidiary of the company was given the corporate agency license of TATA - AIG General Insurance Company. In the year 2003, the company won two key new accounts from Belgium and the Netherlands for their inbound charter handling business. The company along with Galileo India issued the first e-ticket in India through the Global Distribution System. They issued the first remotely printed international airline ticket at the office of one of their key customers. In the year 2004, the company incorporated four step-down subsidiary companies during the year, two each in Mauritius and Sri Lanka. In Mauritius, the company incorporated Thomas Cook (Mauritius) Travel Ltd to undertake the business of General Sales Agent (GSA) of Airlines operating out of Mauritius while Thomas Cook (Mauritius) Holidays Ltd was incorporated to undertake the Indian outbound tourist business in Mauritius. Both these companies are wholly owned subsidiaries of Thomas Cook (Mauritius) Holding Company Ltd. In Sri Lanka, the company incorporated Thomas Cook Lanka Holdings (Pvt) Ltd as an investment vehicle for the company's investments in Sri Lanka. This company is a wholly owned subsidiary of Thomas Cook (Mauritius) Holding Company Ltd. The other company incorporated is Airline Services Lanka (Pvt) Ltd, the wholly owned subsidiary of Thomas Cook Lanka Holdings (Pvt) Ltd to undertake the business of General Sales Agent (GSA) of Airlines operating out of Sri Lanka. The company commenced General Sales Agency (GSA) operations through their subsidiary Airline Services Lanka (Pvt) Ltd and Thomas Cook (Mauritius) Travel Ltd by entering into an agreement with Condor. In the year 2005, the company incorporated a step-down subsidiary in Thailand, named as Thomas Cook Travel & Foreign Exchange (Thailand) Ltd and a wholly owned subsidiary in Singapore named as Thomas Cook Travel & Foreign Exchange (Singapore) Pte Ltd. Also, they opened a new outlet at Union Place, the prime area in Colombo for retail businesses. In the year 2006, the company acquired the LKP Forex Ltd and Travel Corporation (India) Ltd. Also, they sold their 100% stake in Hindustan Cargo Ltd. In March 2006, the Leisure and Corporate Travel business started trading and offers inbound holidays, outbound holidays, and corporate travel services. In February 2007, the company launched their new premium holidays brand '100% Holidays'. In March 2007, the company and ICICI Bank launched Thomas Cook Titanium Mastercard. In December 2007, the company signed a MOU with JTB Corp, Japan, in which the company able to access the JTB Corp network across 30 countries along with affiliates spreading over 800 offices. For JTB Corp, the alliance provides a ready platform to enter the Indian market. The company closed down their operations in Thomas Cook Travel (Thailand) Ltd and Thomas Cook Travel & Foreign Exchange (Singapore) Pte Ltd. In the year 2008, the company made a tie up with Axis Bank for pre-paid forex card which offers exchange of upto 7 currencies. In October 2008, the company made a tie up with that ItzCash from the Essel group stable to facilitate online travel bookings. In December 2008, the company made a tie up with cruise line operator Indian Ocean Cruises of London based Foresight Smart Ventures, to market the heritage cruise Ocean Odyssey in India and Mauritius.

Competitors

Company	Market Cap (Rs. in Cr.)	P/E (TTM) (x)	P/BV (TTM) (x)	EV/EBIDTA (x)	ROE (%)	ROCE (%)	D/E (x)
Cox & Kings	1,700.36	32.27	1.54	17.72	7.2	8.8	0.75
Thomas Cook (I)	1,126.23	22.88	2.83	5.93	17.0	18.3	0.75
Intl. Travel Hse	123.17	6.87	1.05	3.56	19.9	27.8	0.01
Trade-Wings	40.36	368.75	6.83	15.83	7.8	13.2	1.57
Transcorp Intl.	14.33	7.30	0.37	4.22	4.4	9.5	0.49
Mahasagar Travel	1.96	2.44	0.63	1.00	14.1	9.3	1.26
Indrayani Bio	1.77	0.00	0.52	0.00	0.0	0.0	0.00
Sh. Raj Travels	1.14	0.35	0.09	0.00	17.1	15.2	1.64
Girish Travels	0.88	0.00	0.22	0.00	0.7	1.3	0.01

Thomas Cook (India) Ltd. is the largest integrated Travel and Travel related Financial Services Company in the country offering a broad spectrum of services that include Foreign Exchange, Corporate Travel, Leisure Travel, and Insurance. The Company launched its Indian operations in 1881 and is celebrating its 130 years of world-class service in India. Thomas Cook (India) operates in the following areas of business, namely:

- Leisure Travel & MICE
- Corporate Travel Management
- Foreign Exchange
- Insurance
- E-Business

In May 2012, Thomas Cook Group plc, UK (the erstwhile parent) sold off its investment in Thomas Cook (India) Limited (TCIL) to Fairbridge Capital (Mauritius) Limited (Fairbridge). Fairbridge made an open offer to the non-promoters and post August 14, 2012, TCIL is part of Fairfax Group, Canada.

Fairbridge is a wholly-owned step-down subsidiary of Fairfax Financial Holdings Limited (Fairfax), a Toronto-based financial services holding company with a global presence in insurance and reinsurance and a portfolio of assets in excess of US$30 billion invested worldwide. Fairfax has almost 20 insurance subsidiaries and joint ventures globally, including several market leading companies such as Odyssey Re (USA), Crum & Forster (USA), First Capital (Singapore), Fairfax Brasil, Gulf Insurance (Kuwait) and ICICI Lombard (India).

TCIL presently operates in over 78 cities across over 209 locations. The company has overseas operations in Sri Lanka which is a branch of TCIL and Mauritius which is a subsidiary of Thomas Cook (India). TCIL is supported by a strong partner network of 102 Gold Circle Partners and 180 Preferred Sales Agents in over 100 cities pan India. The Company employs over 2,740 resources and is listed on both the Bombay Stock Exchange as well as the National Stock Exchange.

Thomas Cook (India), over the years has received several prestigious awards such as the Best Tour Operator' by CNBC Awaaz Travel Awards 2009 and the 'India's Most Preferred Foreign Exchange Company' by Indian Hospitality Excellence Awards 2010. Recently, the Company won the 'Most Trusted Tour Operator' at the recently concluded Times Travel Honours Event 2011 and was also accredited the P1 rating which is the highest financial rating given by Crisil.

Egyptian Strawberry exports

Egypt's fertile area totals about 3.3 million hectares (8.1 million acres), about one-quarter of which is land reclaimed from the desert. However, the reclaimed lands only add 7 percent to the total value of agricultural production. Even though only 3 percent of the land is arable, it is extremely productive and can be cropped two or even three times annually. Most land is cropped at least twice a year, but agricultural productivity is limited by salinity, which afflicts an estimation of 35% of cultivated land, and drainage issues.

Irrigation plays a major role in a country the very livelihood of which depends upon a single river, the Nile. Most ambitious of all the irrigation projects is that of the Aswan High Dam, completed in 1971. A report published in March 1975 by the National Council for Production and Economic Affairs indicated that the dam had proved successful in controlling floodwaters and ensuring recurring water supply, but that water consumption had been more than needed and shall be controlled. Some precious land was lost below the dam because the flow of Nile silt was stopped, and increased salinity remains a major problem. Furthermore, five years of drought in the Ethiopia highlands—the source of the Nile River's water—caused the water level of Lake Nasser, the Aswan High Dam's reservoir, to drop to the lowest level in 1987. In 1996, however, the level of water behind the High Dam and in Lake Nasser reached the maximum level since the completion of the dam. Despite this unusual abundance of water supply, Egypt can only utilize 55.5 billion cu m (1.96 trillion cu ft) every year, according to the Nile Basin Agreement signed in 1959 between Egypt and Sudan. Another magnificent project designed to address the water scarcity problem is the New Valley (the "second Nile"), aimed at development of the large artesian water supplies underlying the oases of the Western Desert.

The agrarian reform law of 1952 provided that no one might hold more than 190 feddans for farming and that each landholder must either farm the land himself or rent it under specified conditions. Up to 95 additional feddans might be held if the owner had children, and additional land had to be sold to the government. In 1961, the upper limit of landholding was reduced to 100 feddans, and no person was allowed to lease more than 50 feddans (1 feddan = 0.42 hectares). Compensation to the former owners was in bonds bearing a low rate of interest, redeemable within 40 years. A law enacted in 1969 reduced landholdings by one person to 50 feddans. By the mid-1980s, 90% of all land titles were for holdings of less than five feddans, and about 300,000 families, or 8% of the rural population, had received land under the agrarian reform program. According to a 1990 agricultural census, there were some three million small land holdings, almost 96% of which were under five feddans (2.1 hectares (5.2 acres)). Since the late 1980s, many reforms attempting to deregulate agriculture by liberalizing input and output prices and by eliminating crop area controls have been initiated. As a result, the gap between world and domestic prices for Egyptian agricultural commodities has been closed.

Overview of business and trade at international secter

Main Industry Sectors

Agriculture contributes around 13% of the GDP and employs about a third of the active population. The warm climate and the abundant Nile water allows for several annual harvests. The main crops are cereals, cotton, sugar cane and beets.

Egypts remains a country with little industry. With its diverse natural reserves (gold, minerals, iron, oil and gas), oil and gas-related activities and the secondary sector account for just over a third of the GDP. Egypt is the world's sixth largest exporter of natural gas.

Finally, the tertiary sector represents around 50 % of the Egyptian GDP. It is largely dominated by revenues from telecommunications (which grew by 11% during the first quarter of 2010) and from tourism (the tourist industry brings about 11b in annual revenues. For example Cairo received 14m of visitors in 2010).

In spite of its economy's diversification, the country still depends for a large part of its income on the Suez Canal (380m during the first quarter of 2010).

FDI Government Measures

Since September 2004, the General Authority for Investment and Free Zones (GAFI) has established an economic program to attract foreign investors, together with an average reduction of 35% customs duty and tariff simplification. Though all the economic sectors are open to domestic and foreign investors, there are some that are especially targeted by the Law, which expressly provides the possibility to execute projects under the BOT (Build, Operate, Transfer) form, in the agricultural, industry, mining, tourism and hospitality, air travel, off-shore shipping transport, goods transport services, oil prospection and drilling, infrastructures more specifically for drinking water conveyance, roads, housing and used water recycling sectors. Other sectors are added to this list depending on needs (leasing, venture capital, creation of computer programs and software, etc.). Privatization programs are also open to foreign investors. Some sectors are considered strategic and hence subject to specific legislations: aerospatial, defence, newspaper publishing.

3.6Country Strong Points

The country is in a geographically strategic location. Moreover, it offers a cheap and relatively qualified labor force. Its growing population constitutes a non-negligeable market in the region. Its energy resources are attractive and in addition, the country has in recent years, launched a public works policy (construction of the third metro line, expansion of the port of Sokhna and improvement and renovation of the rail network), which offers many investment opportunities to foreign companies. Finally, the government policy for large scale liberalization and improving the appeal to foreign investors are encouraging signs for foreign investment.

Country Weak Points

Despite privatizations, the inefficient and loss-making public sector remains ubiquitous in some sectors. In addition, the rapid population growth continues to curtail the improvement of the standard of living for Egyptians. In fact, the country registers a delay in its infrastructures in which current investments are not able to make up for.

Foreign Trade Overview

The Egyptian market is gradually opening up, especially after signing an agreement with the European Free Trade Association (EFTA) in 2006, and a free trade treaty with the United States. Its three primary export partners are the European Union, which represents more than a third of the trade, United States and Syria. The EU and the USA absorb almost 60% of egyptian exports. Egypt mainly exports mineral fuels and oil, cotton, iron and steel. It imports mainly consumer electronic goods and capital goods, nuclear reactors and nuclear-powered boilers, cereals, food products and chemical products. Import volume has doubled and is twice the export volume, a fact which contributed to the deterioration of the country's trade balance, now a deficit (USD 25.1b in 2010)

Conclusion and Suggestions

- Egypt constituted 1% of the world's tourism market

- Over 23 million people each year to destinations around the world. In over 20 countries, we manage a portfolio of market leading travel brands, including Thomas Cook Style, Air tours, Direct Holidays.

- Thomas Cook is Egypt's largest Tourist travel provided company with an annual turnover of £(590.1) million corers. And 31093 Employees are working in Thomas cook

- It has so many barriers but have many business opportunities in India. In India present situation for Thomas Cook Company increasing in India The Company along with their subsidiaries has their presence in 166 locations in India

- Thomas cook provided , Leisure Travel & MICE Corporate Travel Management Foreign Exchange, Insurance , E-Business

- The company also launched Visa Travel Money Card, a pre-paid ATM card which enables the traveler to withdraw local currency from more than 44,000 Visa ATMs across 117 countries worldwide.

A

GLOBAL COUNTRY STUDY AND REPORT

ON

AIR MAURITIUS CO. LTD

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MAURITIUS

Submitted to

OXFORD SCHOOL OF MANAGEMENT

IN PARTIAL FULFILLMENT OF THE REQUIREMENT OF THE AWARD FOR THE DEGREE OF

MASTER OF BUSINESS ASMINISTRATION

IN

Gujarat Technological University

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[Batch: 2011-13]

MBA SEMESTER-IV

Affiliated to Gujarat Technological University

AIR MAURITIUS – HISTORY

Air Mauritius was incorporated in June 1967 as a handling agent and started operations in August 1972 with a Piper Navajo leased from Air Madagascar on a flight between Mauritius and Rodriguez Island.Five years later, Air Mauritius used a wet leased Boeing 707 to start international operations.During the 1970s and 1980s, Air Mauritius operated Boeing 707s and Boeing 747s, the last ones being replaced by Airbus A340s from 1994. Boeing 767s were introduced in 1988, while ATR 42 aircraft had started its service with Air Mauritius one year earlier.In 1988, one Air Mauritius Boeing 767-200ER set a new distance record for commercial twin jets with a flight from Halifax, Nova Scotia, to Mauritius. The duration of the flight was 16 hours and 27 minutes, during which the plane covered no less than 8,727 statute miles (14,042 km)!In December, 2006, Air Mauritius received the last Airbus A340-300 ever built and launched its regular service to London Heathrow and Hong Kong.
Air Mauritius is one of the few airlines offering combined airplane and helicopter services. In late 2007, the Boeing 767-200ER planes were replaced by two Airbus A330-200s. No fatal incidents involving Air Mauritius aircraft have been recorded so far.

Air Mauritius Limited, doing business as **Air Mauritius**, is the flag carrier of Mauritius. The airline is headquartered at the Air Mauritius Centre in Port Louis; Mauritius. Its main base is Sir Seewoosagur Ramgoolam International Airport.

The carrier is 51% owned by Air Mauritius Holdings Ltd., which is in turn owned in its majority (43.83%) by the Mauritian Government. Air Mauritius' wholly owned subsidiaries are Air mate Ltd., Air Mauritius Holidays (Pty) Ltd. Australia, Air Mauritius SA (Proprietary) Ltd., Mauritian Holidays Ltd. (UK) and Mauritius Helicopters Ltd.; partly owned subsidiaries are Mauritius Estate Development Corporation Ltd. (93.7%), Pointe Cotton Resort Hotel Company Ltd. (54.2%), and Mauritius Shopping Paradise Company Ltd. (41.7%).

NAIC:

481111 Scheduled Passenger Air Transportation; 481112 Scheduled Freight Air Transportation; 481212 Nonscheduled Chartered Freight Air Transportation; 481211 Nonscheduled Chartered Passenger Air Transportation; 488190 Other Support Activities for Air Transportation; 721110 Hotels (Except Casino Hotels) and Motel.

Business Objective

"The Group aims to build a sustainable business with margins covering its cost of capital on a long term basis. It is working in partnership with all its key stakeholders to foster growth and harness business opportunities and also to effectively manage the risks associated with the business. For its shareholders, the Group's key responsibility is to generate a sustainable return on the capital employed in its business and to ensure it can invest for future growth."

Business Model

"Competition is getting tougher and our role as the national carrier constitutes an increasingly challenging responsibility. When we embarked on our 3 year Transformation Programme late 2006 the financial targets set were to say the least a substantial challenge. This challenge became daunting during the first half of 2008 when the Company had to promptly respond to soaring fuel prices. We adjusted capacity in order to optimise load factors on several routes. Narrow bodied operations were streamlined around one A319-100 aircraft as from 15th September 2008. The Fuel Efficiency Gap Analysis (FEGA) conducted by IATA consultants concluded that we had already made considerable progress on our fuel efficiency initiatives of the Transformation Programmed. These measures were intensified and complemented with additional FEGA initiatives.

Ownership of Business

Air Mauritius Limited is a subsidiary of Air Mauritius Holding Limited

SHAREHOLDERS	Direct %	Indirect %	Effective %
Air Mauritius Holding Ltd	51.00	-	51.00
Government of Mauritius	8.37	36.05	44.42
State Investment Corporation Ltd	4.54	9.19	13.73
Rogers and Company Ltd	4.28	9.24	13.52
Compagnie Nationale Air France	2.78	5.72	8.50
Air India	2.56	4.50	7.06
Pershing LLC	6.01	-	6.01

Benefits Offered and Relations with Government

The Department of Civil Aviation, under the Ministry of Tourism, Leisure and External Communications, is the regulatory body; it administers the Civil Aviation Act and its regulations and oversees aviation operations including air traffic control, licensing of aircrafts, meteorology, and communication. In January 2001, an Air Access Advisory Council (AAAC) was established, under the Chairmanship of the Prime Minister's Office, to provide a platform for consultations with stakeholders on air transport issues. However, the AAAC never became operational, and it was decided in 2005 to replace it by an Air Access Policy Unit. A state owned company, Airports of Mauritius Ltd (AML) is responsible for the operation, development, and management of the SSR International Airport. All airports in Mauritius are owned by the State.

In line with the guidelines for 2005-10, the air access policy has been revised to enable a more pragmatic approach with the trend towards multiple designation, no restrictions on capacity or frequency, exchange of fifth freedom traffic rights, and liberalized fares. Actions have been focusing so far on increasing seat capacity and competition in markets with high growth potential (such as France, South Africa, and India) by, inter alia, reviewing some bilateral agreements and negotiating new ones; facilitating special flights (charters), on an ad hoc basis, whenever demand exceeds supply by scheduled carriers; and allowing special flights in markets not serviced by scheduled carriers (such as Sweden).

Product Development

Air Mauritius took delivery of a second A330-200 aircraft in October 2009. The Company is not renewing its lease agreement for one A340-300 aircraft expiring in October 2009 due to the anticipated decline in demand as a result of the economic recession Bangalore was added to the network in April 2008. New consolidated cooperation agreements were concluded with Air France, Malaysia Airlines and Air Madagascar during 2008/09. A new code share agreement effective November 2008 has been signed between Air Mauritius and Malaysia Airlines which involves free flow code share on the Mauritius/Kuala Lumpur route on flights operated by Air Mauritius and on destinations beyond Kuala Lumpur served by Malaysia Airlines. Air Mauritius and Air Madagascar resumed t cooperation by putting in place a new agreement effective November 2008 offering daily flights between Mauritius and Madagascar.

The whole of the A340-300 fleet was retrofitted from a three class into two class configuration during the year with the following layout: The A340-300 Classic with a total of 298 seats with 34 Business Class seats at 60 inch pitch and 264 Economy Class seats at 31 inch pitch and the A340-300 Enhanced with a total of 300 seats with 34 Business Class seats at 60 inch pitch and 266 Economy Class seats at 31 inch pitch.

PORTER'S FIVE FORCES ANALYSIS

DEFINITION

Porter's Five Forces analysis is a framework to analyze the characteristics that affect competition within an industry. The analysis is best suited to study industry competition, but it can also help companies establish a business strategy. The less competitive an industry, the higher the potential to earn profits in that industry. Inversely, competitive industries work to drive down the potential for any business to make money.

The Five Forces model has three components that measure competition. External forces include: intensity of existing rivalry, threat of substitutes, and threat of new competitors. These forces are out of the control of the subject company, whereas, internal forces (bargaining power of suppliers and bargaining power of customers) are a direct result of the subject company's decisions. The combination of these forces determines the level of competition that will affect the subject company.

THE FIVE COMPONENTS OF PORTER'S FIVE FORCES MODEL ARE LISTED BELOW:

- **Intensity of existing rivalry (external):**

This is usually the most important determination of competitive forces. It gauges the level of competition between rivals that compete directly on prices and quality. Examples include: low exit barriers and low storage cots.

- **Threat of substitutes (external):**

The availability of substitute products increases the chances that a business will lose customers; thus, substitution risk lowers profitability. Examples include: limited number of substitutes and high cost of switching to substitutes.

- **Threat of new competitors (external):**

New competitors are often drawn to an industry because of the opportunity to make profits. When new competitors enter markets, they become rivals to existing market participants, which tends to lower the profitability of all market participants. An increase in competition lowers profits with all else staying the same. Examples of the external component include: patents limiting new competition and industry requires economies of scale.

➢ **Bargaining power of suppliers (internal):**

The more pressure suppliers can exert on a company, the more bargaining power they have over that company. Bargaining power generally increases profitability for the party that exerts it. Examples that affect bargaining power to suppliers include: volume is critical to suppliers and there are diverse distribution channels.

➢ **Bargaining power of customers (internal):**

The more pressure customers can exert on a company, the more bargaining power they have over that company. Bargaining power generally increases profitability for the party that exerts it. Examples that affect bargaining power to customers include: limited buyer choice and large number of customers.

SWOT ANALYSIS

DEFINITION

The SWOT Analysis is a strategic planning tool that stands for: strengths, weaknesses, opportunities, and threats. The SWOT analysis is essential to understanding the many different risk and rewards of any investment. Analyst, investors, students and professionals or all types can use a SWOT analysis to categorically break down a project or businesses' strengths, weaknesses, opportunities, and threats.

➢ **Strengths**
internally generated long term advantage in the industry. Strength gives a company a long term advantage over it's rivals. Examples include: great brand name or economies of scale.

➢ **Weaknesses**
A long term / fundamental business concern that is internally generated. A weakness is something that causes issues for the underlying business, which take considerable time and effort to fix and are internally generated or controlled. SWOT examples include: ineffective corporate culture, inefficient tax system, etc.

- **Opportunities**
  External conditions those are helpful to a company. SWOT examples include: organic food's popularity, low energy prices etc.

- **Threats**
  External conditions that are harmful to a company's performance. SWOT examples include an uncertain economy, housing reforms, and a closed economy.

Each report has a full SWOT analysis, which users can edit and improve. Additionally, the industry analysis and investor portfolios are a aggregate of each individual company SWOT analysis. Essentially, Wiki Wealth uses the SWOT analysis to understand each type of investment. See Wal-Mart Example

How Does the SWOT Analysis Improve Stock Research?

The SWOT template to improve the qualitative analysis for each investment research report. When a company's strengths are greater than their weaknesses, then a company is better able to compete with other companies in their industry. When the number of strengths and weaknesses are the same, then they cross each other out. When weakness dominates strengths, then the company has many internally generated problems they need to fix. A large number of weaknesses is bad for any investment. Uses a number of criteria to forecast the qualitative analysis conclusion for a company. If weakness or threats dominate strengths and opportunities, then the target investment will not look favorable to investors.

Improves Your SWOT Analysis Ideas?

Many visitors contribute their thoughts and ideas to the SWOT template. Reviews each statement to improve upon what our visitors input. All it takes is a good title and analyst will be able to create an entire paragraph of information that relates that statement to the rest of the analysis. For example, one statement for Starbucks read: Good Coffee, Yum. Analyst saw this statement as a reflection of Starbucks' brand value, brewing recipes, coffee bean sources, etc. reasons why Starbucks makes great coffee. Will improve any SWOT statement, so try it out. Help improve the SWOT analysis so we can all benefit from a free swot analysis.

Value Investing Importance of the SWOT Analysis?

The quality and quantify of statements has a direct impact on stock research ratings, and thus, company investments. A professional analysis cost a minimum of $150. SWOT analysis is free and open to improve and edit. This wiki allows easy edits of information and content by anyone. All users' edits are monitored and review by professionals.

Acronym, Common Misspellings, and Alternative Names

Common misspellings include swot analysis, analyze, analysis, and analysis. The SWOT analysis also goes by the term TOWS (threats, opportunities, weaknesses, strengths) Matrix.

Top aviation companies in India

- ### Air Charter Services Pvt Ltd:

  Air Charter Services Pvt. Ltd. performs its business operations with private business aircrafts, executive and corporate air charters, helicopter tours, VIP charter flights, and photo and video flights. Its client list incorporates VIPs, corporate firms, tour co-coordinators, travel agents and air medical evacuation professionals. It provides services such as relief, VIP, air ambulance and privacy services.

- ### Air Charters India:

  Air Charter India is owned by the STIC Travel Group and has around 100 airplanes in India. It covers several international destinations with an unmatchable logistics support. The aviation company has 40 offices with a highly skilled manpower of above 1000 people. It offers services like heli-skiing, charter flights for pilgrimage in India, heli-sightseeing, corporate jets, executive jets, etc. Air Charter India provides airplanes such as helicopters, business aircrafts, and aircrafts for corporate, individuals and group travelers.

- ### Air India:

National Aviation Company of India Limited (NACIL) was the first Indian aviation company which led the way for other companies in the aviation sector. It was initiated before the India gained its independence. Later it collaborated with Indian Airlines and gained the reputation of being the largest airline in South Asian airline. Air India Cargo, Air India Express and Air India Regional are its subordinates in aviation market. It offers First class, Executive class and Economy class services and has code sharing pacts with companies like Air France, Austrian Airlines, Aeroflot, Air Astana, Emirates Airline, Air Mauritius, Kuwait Airways, etc.

- ## Aviation India:

Aviation India provides services like cargo services, flight operation, air charter services, passenger services, freight control, advisory and consultancy, aircraft preservation and renovation, international flight operation, air supervision and helipad engineering, etc. The airlines has skilled workforce and offers total control and functional back-up to several international schedule / non-schedule operations.

- ## Indian Airlines:

Indian Airlines was inaugurated on 1st August, 1953 and in collaboration with its fully governed subordinate in aviation market Alliance Air, it takes pride in being recognized as one of the biggest regional airline systems in Asia. It has a fleet of 70 airplanes and covers 76 destinations, 58 Indian destinations and 18 foreign destinations. Globally it covers Oman, UAE, Kuwait, Qatar, Singapore, Yangon, Pakistan, Maldives, Bangladesh, Sri Lanka, etc.

- ## Deccan Aviation Ltd.:

The aviation company has its presence in 8 places namely, Mumbai, Ranchi, Surat, Hyderabad, Bangalore, Karta, Colombo (Sri Lanka) and Delhi. It has 350 daily departures and covers 65 destinations in India. It offers the benefit of no-cost travel to infants, ticketing counters, lavish aircraft interiors and ticketing flexibility.

- ## Indigo:

Indigo is a utilitarian low-price domestic airline which offers feasible flying alternatives for millions. The airline was facilitated by the Air Passengers

Association of India (APAI) as the "Best Low-Fare Carrier in India for the year 2007". Indigo has 120 daily departures and a fleet of 19 Airbus A320. The airline covers 17 destinations namely, Agartala, Bangalore, Bhubaneswar, Ahmadabad, Delhi, Chennai, Guwahati, Hyderabad, Goa, Impala, Kolkata, Mumbai, Vadodara, etc.

➢ Paramount airways:

Paramount Airways is a business class airline which has its base in India and headquarters at Chennai. Endorsed by Madurai-based Paramount Group and Paramount Railways was inaugurated in 19th October 2005. Its fleet comprises 5 aircrafts and it operates in 8 destinations.

➢ Go Air Airlines:

Like Spice Jet, a Go Air airline is also a low price airline endorsed by the Wadia group. It was inaugurated in Mumbai in June 2004. It operates in 11 cities with 61 daily departures. It has started its functions in Ahmedabad, Chennai, Bangalore, Coimbatore, Goa, Cochin, Jaipur, Mumbai, Pune, Delhi, Srinagar, etc.

➢ Kingfisher Airlines:

It is the one and only 5-star airline in India which offers excellent first class service on domestic itineraries also. A part of UB group, Kingfisher Airlines has received 30 awards for its novelty and customer satisfaction. After its tie-up with Deccan, the airline covers 64 cities and has 484 daily departures.

➢ Spice Jet:

Spice Jet is basically a low cost airline which incorporates many Boeing 737-800 airplanes in its fleet. It covers 14 destinations in India.

➢ Air Sahara:

Air Sahara was inaugurated on December 3, 1993 with a fleet of only two Boeing 737-200s. Now it comprise of 27 aircrafts, 135 daily departures and availability of 16500 seats on regular basis. It reaches various Indian destinations like Bangalore, Kolkata, Delhi, Luck knows, Mumbai, Chennai, etc.

- ## Jet Airways:

Jet Airways was established on May 5, 1993. It earns yearly revenue of Rs 2502.89 and total income of approx ` 117868.8 Million. At present it id India's biggest private domestic airline with 62 aircrafts and a market share of 25%. It covers 50 destinations with 340 regular departures. Jet Airways has pacts with foreign airlines, such as Lufthansa, Swiss, Gulf Air, Austrian Airlines, Qantas and Thai.

CONCLUSION

After making report we found that Air Mauritius is the leading player in the Mauritius.. These companies focus primarily on automotive assembly, distribution and the industry's growing after-Air Market..

The belief of the Air Mauritius is to provide better service to consumer. in corporate responsibility towards society and the important role that should be played by the private sector to contribute to the advancement of society as a whole.

The company has with its clients to crack a large donation which each client donated with a part of the money paid for the maintenance of his car in order to remove the negative effects on the society that emerged last period.

I will also wish that Air Mauritius industry develop more in future .I also accept that Air Mauritius industry limited get more than present good market condition.

A

GLOBAL / COUNTRY STUDY AND REPORT

ON

"Bank of Baroda of Mauritius"

Submitted To:-

Gujarat Technological University

IN PARTIAL FULFILLMENT OF THE

REQUIREMENT OF THE AWARD FOR THE DEGREE OF

MASTER OF BUSINESS ADMINISTRATION

UNDER THE GUIDANCE OF

Prof. Mahendra Prajapati

Submitted by:-

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(Batch: 2011-13)

MBA SEMESTER IV

OXFORD SCHOOL OF MANAGEMENT

MBA PROGRAMME

Affiliated to Gujarat Technological University Ahmedabad

May, 2013

NTRODUCTION OF BANK

Finance is the life blood of trade, commerce and industry. Now-a-days, banking sector acts as the backbone of modern business. Development of any country mainly depends upon the banking system.

The term bank is either derived from old Italian word *banca* or from a French word *banque* both mean a **Bench** or **money exchange table**. In olden days, European money lenders or money changers used to display (show) coins of different countries in big heaps (quantity) on benches or tables for the purpose of lending or exchanging.

A bank is a financial institution which deals with deposits and advances and other related services. It receives money from those who want to save in the form of deposits and it lends money to those who need it.

Definition of a Bank

Oxford Dictionary defines a bank as "an establishment for custody of money, which it pays out on customer's order."

Characteristics / Features of a Bank

1. Dealing in Money

Bank is a financial institution which deals with other people's money i.e. money given by depositors.

2. Individual / Firm / Company

A bank may be a person, firm or a company. A banking company means a company which is in the business of banking.

3. Acceptance of Deposit

A bank accepts money from the people in the form of deposits which are usually repayable on demand or after the expiry of a fixed period. It gives safety to the deposits of its customers. It also acts as a custodian of funds of its customers.

4. Giving Advances

A bank lends out money in the form of loans to those who require it for different purposes.

5. Payment and Withdrawal

A bank provides easy payment and withdrawal facility to its customers in the form of cheques and drafts, It also brings bank money in circulation. This money is in the form of cheques, drafts, etc.

6. Agency and Utility Services

A bank provides various banking facilities to its customers. They include general utility services and agency services.

7. Profit and Service Orientation

A bank is a profit seeking institution having service oriented approach.

8. Ever increasing Functions

Banking is an evolutionary concept. There is continuous expansion and diversification as regards the functions, services and activities of a bank.

9. Connecting Link

A bank acts as a connecting link between borrowers and lenders of money. Banks collect money from those who have surplus money and give the same to those who are in need of money.

10. Banking Business

A bank's main activity should be to do business of banking which should not be subsidiary to any other business.

11. Name Identity

A bank should always add the word "bank" to its name to enable people to know that it is a bank and that it is dealing in money.

History of bank of baroda

Bank of Baroda (BoB) is an Indian state-owned banking and financial services company headquartered in Vadodara. It offers a range of banking products and financial services to corporate and retail customers through its branches and through its specialised subsidiaries and affiliates in the areas of retail banking, investment banking, credit cards and asset management. Its total global business was Rs. 7,003 billion as of 30 Sep 2012.[5] In addition to its headquarters in its home state of Gujarat it has a corporate headquarter in the Bandra Kurla Complex in Mumbai.

Based on 2012 data it is ranked 715 on Forbes Global 2000 list.[6][7] BoB has total assets in excess of Rs. 3.58 trillion (short scale), or Rs. 3,583 billion, a network of 4261 branches (out of which 4168 branches[8] are in India) and offices, and over 2000 ATMs.

The bank was founded by the the Maharaja of Baroda, H. H. Sir Sayajirao Gaekwad III on 20 July 1908 in the Princely State of Baroda, in Gujarat.[9] The bank, along with 13 other major commercial banks of India, was nationalised on 19 July 1969, by the Government of India and has been designated as a profit-making public sector undertaking (PSU).

Operations in Mauritius

Bank of Baroda (BOB) commenced its operations in Mauritius on 19th October ,1962 with the opening of first branch at Port Louis.

Mobile Branch was added in 1965 to cover rural/unbanked areas.

Bank of Baroda expanded its operations in mid-70's with 4 more branches at Curepipe, Vacoas, Rose Hill and Quatre Bornes and added one more branch at Centre De Flacq in 2000.

With the opening of door for Offshore banking in Mauritius , Bank of Baroda opened its Offshore Banking Branch in 1990.

Bank of Baroda has introduced the ATM and VISA Electron International Debit Card services for its customers in year 2001-2002.

Prensently Bank of Baroda is having a network of 7 domestic branches and 1 Offshore branch in Mauritius employing 77 local staff.

Territory Office, Port Louis Branch and Offhsore Banking Unit are operating from own six storey building at Sir William Newton
Street, Port Louis.

ABOUT BANK BARODA IN MAURITIUS

Operations in Mauritius

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COMPERATIVE POSITION OF BANK OF BARODA

How to Compare Online Banks

Online banking has become a common way for customers to interact with their bank in order to conduct routine balance checks, review account activities and even pay bills. Traditional brick and mortar banks typically offer online account functions in addition to activities at local branches and ATMs. A new breed of bank has also emerged that does not offer traditional bank branches for most customers, but rather uses existing ATM networks, physical mail and online interactions to conduct banking transactions. Comparing options between online banks requires understanding your banking needs and analyzing the functionality, benefits, costs and limitations of each bank.

Instructions

Review your banking needs. Determine if you prefer conducting your banking business with an in-person representative or through quick interactions via e-mail, phone and secured Internet websites. Also look at the portfolio of services you require such as checking accounts, savings accounts, investment vehicles and loans.

Develop a grid to help compare information about each online banking option. Place descriptive headings along the left-hand side of your grid for each item important to you in a banking relationship and the name of the online banks you want to review along the top of the page. Sample row headings could include physical locations, ATM charges, checking options and online bill payment availability.

Research information for each online bank option and fill out your grid completely. Gather information from the bank's website, from emailed questions and through phone conversations with their customer service or sales department. If necessary, request account information packets by mail to obtain the information needed to finalize your comparison grid.

Analyze the information on your grid for each bank. Eliminate any bank that does not offer the online banking services you require. Rank each bank based on the services they provide.

Review the cost structure for each online bank. Balance the bank's services with your personal cost for each bank. Select the bank that offers the most services at the least personal cost.

Update your comparison grid based on new online bank availability and feature changes. Consider altering your banking relationship if your current online banking is unfavorable, or if another online bank can better meet your financial needs.

The Comparison Between Banks & Credit Unions

With so many fees for basic financial transactions, finding a place to keep your money is a frustrating process. Understanding the difference between banks and credit unions helps you decide which option is best for your situation. Both have pros and cons when it comes to factors like service, options and fees.

Owners

- A credit union is owned by the members. Opening the account means you own a small part of the business. Membership is sometimes restricted to employees of a particular company or other identifying factor, but more credit unions are expanding to allow anyone residing in a certain area as members. Credit unions are not-for-profit so they aren't as worried about how much money they are going to make off of members. The money a credit union makes beyond the operating costs goes back to the members in the form of dividends. Banks are run by corporations and are for-profit ventures. In some cases, banks lose sight of the customers and focus on the profits they make.

Fees

- The fees are generally lower at a credit union than at a bank. Since the credit union isn't working for a profit, it is possible to charge lower fees and limit the number of fees charged. Banks are more likely to charge higher fees. They may also charge for services that a credit union provides for free. Examples of possible fees include transfers, out-of-network ATM use and copies of past statements or checks. Check with each financial institution before opening an account to determine exactly what fees you will pay and how much they cost each month.

Rates

- Members of a credit union receive lower interest rates than they might receive at a bank on loans. Since banks are trying to make a profit, they can't offer as low of rates. Larger banks have an advantage in the loan options available. Credit unions may not have as many different types of loans to choose from so your options may be more limited.
- Saving account rates are often higher at credit unions. You may also benefit from lower maintenance fees on the savings account.

Services

- The range of services varies based on the size of the institution. Larger national banks typically offer more services to customers. Extensive ATM networks, online banking, online bill payment services and business services for small business owners are examples of services that are sometimes missing from a credit union. When choosing between a bank and credit union, make a list of the services you want. Compare what each local option offers to find the best place for your money.

PRESENT POSITION AND TREND OF BANK OF BARODA IN 2012

Overview of different economic sectors

GDP contribution of Agriculture, Manufacturing & Service Sectors

GDP Contribution

Table 4.1

Particulars	GDP
Agriculture	4.8%
Manufacturing	24.6%
Service	70.5%

In the Mauritius the service sector is contributing high in the country's GDP because for the service sector the tourism industry is growing very fastly because of natural advantages as a holiday destination – beautiful coral beaches, warm clear lagoons, colourful reefs, picturesque mountains, a subtropical climate, a southern hemisphere location, an atmosphere that is exotically different, yet safe and stable. And Agriculture sector is contributing less in the GDP because high cost of key inputs mainly labor cost and high prices of agrochemicals and scarcity of raw materials for agro-industries.

Favourable & unfavorable factors of each sector

Favorable factors of Agriculture Sector are the government plans to attract further foreign investment in areas such as large-scale hydroponic farming, animal feed production, cattle breeding and high value added food processing for export. The infrastructure for the processing of sugarcane, storage and marketing of sugar is available and has been improved. Unfavorable Factor of Agriculture Sector are Mauritius has limited land resources & High cost of key inputs mainly labor cost and high prices of agrochemicals; Inadequate planning of production as per market demand & Scarcity of raw materials for agro-industries & Failure of farmers grouping. Favorable factors of Manufacturing Sector are Infrastructure, Taxation, land connectivity with electricity (stable power) and water supply for agricultural, industrial consumption.

India's Best Banks 2012

Four years after the global financial crisis began, India's $1,508 billion (Rs 82.6 trillion; a trillion is 100,000 crore) banking sector still grapples daily with heightened risk. Banks and borrowers, both retail and corporate, are under financial stress.

Indian banks have shown resilience, as they have a buffer well over the required capital adequacy ratio of nine per cent. This will help them absorb nearterm shocks, but deteriorating asset quality and slow economic growth are hurting their profitability.

"The risk will keep emerging as the environment keeps changing," warns Chanda Kochhar, Managing Director and CEO, ICICI Bank Ltd. "You have to constantly be in monitoring mode." A veteran banker, she gained substantial fire-fighting experience as she took over from K.V. Kamath in May 2009.

The industry's performance parameters are sobering: the growth rate for deposits has crashed from 23 per cent in 2007/08 to 15 per cent in 2011/12. Loans and advances growth has fallen from 25 to 18 per cent. Net non-performing assets (NPAs) have risen from one per cent to 1.28 per cent.

Return on assets, a measure of profitability, is down from 1.12 per cent to 1.08 per cent. As if all that isn't pressure enough, regulations increasingly require banks to set aside more capital. The Basel III norms, to be implemented beginning January 2013, will require massive capital infusion by Indian banks in a phased manner.

The high incidence of corporate debt restructuring in the last couple of years may add to the NPAs in the system. Provisioning for NPAs has risen from Rs 54,000 crore in 2010/11 to Rs 74,700 crore in 2011/12.

All these developments will increase pressure on profitability, although Basel III will go a long way in building a strong foundation for the Indian banking sector. All in all, the negatives far outweigh the positives.

Even as pinstripe-clad bankers tighten their belts, Business Today and KPMG together raise the annual toast to the best in the industry. For the second year running, the stateowned Bank of Baroda is the best among large banks.

Policy & Norms Of Taxation In Mauritius

Mauritius says tax treaty resolution likely by April

Added on 13/03/2013
Mauritius PM says he has discussed the issue of Double Taxation Avoidance Agreement with visiting President Pranab Mukherjee, reports Live Mint.

India and Mauritius are working to find solutions to their differences on Double Taxation Avoidance Agreement (DTAA) and the issue could be resolved by April when the two sides meet in New Delhi.

Mauritius Prime Minister Navinchandra Ramgoolam said he had discussed the issue of DTAA with visiting President Pranab Mukherjee during delegation level talks held here today. “We spoke about the Double Taxation Avoidance Agreement. We have already found some common ground to find a solution. This is going to come to an end in April,” he said in the presence of President Mukherjee after attending a ceremony where several pacts on health, medicine, tourism were signed.

The India-Mauritius joint working group met in December 2011 and again in August 2012 to discuss concerns on the operation of the India-Mauritius Double Taxation Avoidance Convention (DTAC). Mauritius had also agreed with India on a Tax Information Exchange Agreement (TIEA), which incorporates provisions on assistance in the collection of taxes.

Mukherjee said India looks forward to the meeting of the joint working group to be held in April in New Delhi. “I am pleased to note that the joint working group on the Double Taxation Avoidance Convention has met twice in the last one year. They have provided an opportunity for both sides to discuss all issues with the aim of finding a mutually acceptable and beneficial outcome,” Mukherjee said. “India looks forward to holding the next meeting of the JWG soon in New Delhi. We also look forward to the holding of the 11th India-Mauritius Joint Commission meeting,” he said.

Mauritius to take steps to avoid misuse of tax avoidance treaty

Added on 06/03/2013
The announcement made by India’s finance minister in his Budget speech on making the TRC “a necessary but not sufficient” condition to avail of the benefits under double taxation avoidance agreements “has created much confusion among investors in India and internationally, including those using Mauritius to do business with India, reports Money Life India.

The Mauritius government, on Tuesday, promised to address India’s concerns over possible misuse of tax avoidance treaty between the two countries, while ensuring its commercial viability on mutually acceptable terms.

“We wish to reiterate that Mauritius is committed and willing to collaborate fully to address the concerns of the Indian side on the DTAC (Double Taxation Avoidance Convention), while ensuring that the treaty remains commercially viable," Mauritius' ministry of finance and economic development said.

"We are optimistic that both sides can conclude a mutually acceptable package that would yield a win-win solution," the ministry said in a statement, while welcoming finance minister P Chidambaram's statement clarifying the recent concerns over Tax Residency Certificate (TRC) issue.

It said that an announcement made by Chidambaram in his Union Budget presentation on making the TRC "a necessary but not sufficient" condition to avail of the benefits under double taxation avoidance agreements "has created much confusion among investors in India and internationally, including those using Mauritius to do business with India."

"The (proposed) amendment has been interpreted as providing wide powers to the Indian tax authorities to question the Tax Residency Certificate produced by a resident of a contracting state," Mauritius said.

The ministry, however, said that India had acted promptly to clarify the situation regarding the validity of the TRC and it had been specified that "the TRC produced by a resident of a contracting state will be accepted as evidence that he is a resident of that contracting state and the income tax authorities in India will not go beyond the TRC and question his residence status."

Mauritius, which has been often accused of being used as a conduit for routing of untaxed funds to and from India, said further that a Certificate of Residence delivered by the Mauritian authorities would constitute sufficient evidence for accepting the status of residence as well as beneficial ownership for claiming benefits under Indo-Mauritian DTAC.

The arrangement "continues to be in force pending ongoing discussions between India and Mauritius. Furthermore, we are comforted by the declaration of the Indian minister of finance to the effect that India will not take unilateral action to revise the Mauritius-India DTAC," it added.

The India-Mauritius Joint Working Group met in December, 2011, and again in August, 2012, to discuss concerns on the operation of the India-Mauritius DTAC.

Mauritius has agreed with India on a Tax Information Exchange Agreement, which incorporates provisions on assistance in the collection of taxes.

The next meeting of the group is scheduled to take place in the last week of this month, in India.

India-Mauritius to review double taxation treaty in February

Added on 10/01/2013

The joint working group on India-Mauritius double taxation avoidance convention (DTAC) is meeting in February in New Delhi to review the tax treaty between the two nations, commerce and industry minister Anand Sharma said in a statement today, reports the Indian Express.

The group was constituted in 2006 to put in place adequate safeguards to prevent misuse of DTAC. It has had eight rounds of meeting since then but a mutually acceptable solution is still awaited. According to Indian tax officials, the tax treaty is being used for round tripping, concealing their income from the tax authorities and avoiding tax .

Sharma is on a two-day visit to Mauritius where he met the country's Prime Minister Navinchandra Ramgoolam today and raised the need for deepening and diversifying trade and investment ties between the two countries.

Around 40 per cent of total FDI inflows in India comes from Mauritius. Given the nature of the treaty, an investor routing investment through Mauritius does not have to pay capital gains tax in India while the gains are fully exempt from taxation in Mauritius under its domestic laws. This is being abused by investors, according to the income tax department.

Mauritius may provide names of Indian tax defaulters

Added on 08/01/2013

After several European countries providing names of Indian tax defaulters to the government, Mauritius could follow suit putting those shell companies using the island route to invest in the country under scanner. If implemented, it will be a major boost to efforts aimed at curbing the menace of black money and money laundering, reports *India Today*.

According to sources, the government raised the issue with visiting Mauritian President Rajkeswur Purryag, who met Prime Minister Manmohan Singh, other important political leaders and President Pranab Mukherjee last week.

"We flagged the issue that some of these shell companies are misusing the provision, and the President [Purryag] has indicated his willingness to stop round-tripping and promised to share tax-related information to curb black money," a senior South Block official told Mail Today.

According to data, currently about 37 per cent of foreign direct investment in India comes through the Mauritian route. India and Mauritius have an annual bilateral trade of US$4 billion with Indian exporting finished petroleum products to the island. During the discussion, Mauritian officials said that about 15,000 Mauritian nationals are employed by companies investing in India through the island route and action can be taken by New Delhi against those violating the law.

Switzerland and Germany have already shared data of Indian tax offenders with the government.

India is keen to review the tax treaty with Mauritius to prevent its misuse and strengthen the tax information exchange mechanism between the two countries. "The government has proposed to review the India-Mauritius Double Taxation Avoidance Convention (DTAC) bilaterally to incorporate appropriate changes in DTAC for prevention of treaty abuse and to strengthen the mechanism for exchange of information on tax matters between India and Mauritius," finance minister P. Chidambaram had earlier said in response to a question in Parliament.

A joint working group (JWG) comprising Indian and Mauritian officials was constituted in 2006 to put in place adequate safeguards to prevent misuse of DTAC. However, the problems could not be resolved. Eight rounds of discussions have taken place and New Delhi is trying to work out an acceptable solution for addressing its concerns.

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ON

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MBA SEMESTER IV

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MBA PROGRAMME

Affiliated to Gujarat Technological University

March, 2013

INRODUCTION ABOUT BHARAT TELECOM LTD (MAURITIUS)

- Bharat Telecom Ltd (BTL) is a public limited company incorporated in August 2010 and listed on the Development & Enterprise Market (DEM) of the Stock Exchange of Mauritius (SEM) since July 2012.

- Our aim is to introduce new technologies capable of providing state of the art technologies to the doorsteps of every household and business.

- BTL is first industry-player to provide FTTH (Fiber to the Home) service to Mauritian households. Amongst other services IPTV and High Speed Broadband Internet will be introduced on this platform by the company.

- BTL has the vision to connect every home and office in the country with a fiber network for the benefit of the next generations in line with the national concept of "Maurice - Ile Durable".

- Bharat Telecom Ltd. provides Broadband internet, VOIP, and video networking to Mauritian households.

❖ **Contact Information**

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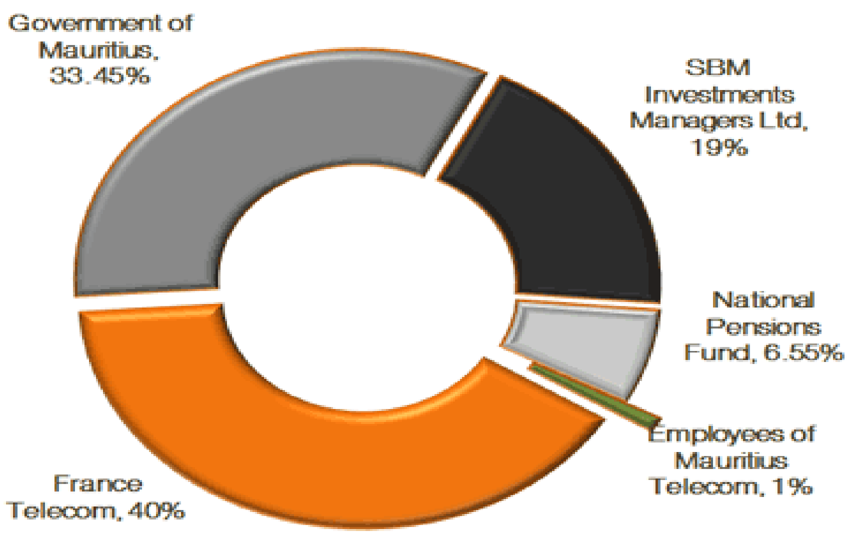
Market Structure of Telecom sector

- France Telecom 40 %
- Government of Mauritius 33.45 %
- SBM Investments Managers Ltd 19 %
- National Pensions Fund 6.55 %
- Employees of Mauritius Telecom 1 %



Comparative Position & Trend of Business

- Bharat Telecom Mauritius launches FTTH service
- Bharat Telecom Limited gets go ahead for Mauritius listing
- Bharat Telecom: Each Customer Pays Rs 17.25 to CEB
- Fibre to Home (FTTH) services will be offered to residential users of up to 10Mbps.
- Bharat Telecom Launches Fiber Optic
- Bharat Telecom Ltd to launch island-wide fiber network and high-speed FTTH broadband
- Bharat Telecom unveils island-wide FTTH plan

<u>Services of Bharat telecom ltd in india</u>

- **Universal Telecom Services**: Fixed wire line services and landline in local loop (WLL) using CDMA Technology called **bone** and **Tarang** respectively. As of 30 June 2010, BSNL had 75% market share of fixed lines.
- **Cellular Mobile Telephone Services**: BSNL is major provider of Cellular Mobile Telephone services using GSM platform under the brand name Cell one & Excel (BSNL Mobile). As of 30 June 2010 BSNL has 13.50% share of mobile telephony in the country.
- **WLL-CDMA Telephone Services**: BSNL's WLL (Wireless in Local Loop) service is a service giving both fixed line telephony & Mobile telephony.
- **Internet**: BSNL provides Internet access services through dial-up connection (as Sancharnet through 2009 as Prepaid, Net One as Postpaid and ADSL broadband as BSNL Broadband BSNL held 55.76% of the market share with reported subscriber base of 9.19 million Internet subscribers with 7.79% of growth at the end of March 2010. Top 12 Dial-up Service providers, based on the subscriber base, It Also Provides Online Games via its Games on Demand (GOD)
- **Intelligent Network (IN)**: BSNL offers value-added services, such as Free Phone Service (FPH), India Telephone Card (Prepaid card), Account Card Calling (ACC), Virtual Private Network (VPN), Tele-voting, Premium Rae Service (PRM), Universal Access Number (UAN).
- **3G**:BSNL offers the '3G' or the'3rd Generation' services which includes facilities like video calling, mobile broadband, live TV, 3G Video portal, streaming services like online full length movies and video on demand etc.
- **IPTV**: BSNL also offers the 'Internet Protocol Television' facility which enables watch television through internet.
- **FTTH**: Fibre To The Home facility that offers a higher bandwidth for data transfer. This idea was proposed on post-December 2009

Services of Bharat Telecom ltd in Gujarat

Guj Info Petro Limited (GIPL), a subsidiary company of Gujarat State Petroleum Corporation (GSPC), has signed a memorandum of understanding with Bharat Sanchar Nigam Limited (BSNL) for Internet Protocol television (IPTV) and several value-added services (VAS) for various telecom circles across Gujarat. According to the agreement, GIPL will invest around Rs 1,000 crore which will also generate indirect employment for more than 300 people.

V K Sharma, chief executive officer, GIPL said, "Another MoU has been signed between GIPL and Cason Engineering of Hungary for SCADA project for oil and gas sector, water & leak detection across Gujarat. The likely investment under this MoU is Rs 100 crore which would also employ more than 250 people." He further informed that GIPL has signed an MoU with e-Procurement LLC for tender portal online, reverse, forward auction bidding platform across Gujarat. "The likely investment under this MoU is Rs 20 crore employing 100 people," he said.

GIPL is a Total Solution Provider (TSP) for majority of government departments for software development, server hosting includes server hosting, co-location of servers, data migration, web hosting, video conferencing, software solutions & bandwidth on demand. It is also the nodal agency for various government departments and organisations like GUVNL, GMDC, GIPL, Commercial Tax, Forest Department, Education Board, Agriculture Department, BECL.

Policies and Norms

❖ Procedures for Imports

- Registration and Customs Formalities
- Import Permit
- Inco terms (International Commercial Terms)
- Clearing and Forwarding
- International Terms of Payment
- Useful Websites

❖ Procedures for Exports

- Export Registration and Customs Formalities.
- Permits
- Inco terms (International Commercial Terms)
- Clearing and Forwarding
- International Terms of Payment
- Useful websites

The Government's objectives for the telecommunications sector, as outlined in the White Paper are to:

(a) Provide access to the most modern telecommunications services possible at fair prices

(b) Improve Mauritius? Position and competitive edge in global markets

(c) Enhance the economic and social life of the nation

(d) Progressively divest its interest in MT by adopting an appropriate privatization strategy within a liberalized marketplace

(e) Establish an employee shareholding scheme

(f) Ensure that essential national interests are protected and

(g) Create propitious conditions for Mauritius to become an info-communications hub in the region.

Business Opportunities in future

- Potential of Bharat Telecom ltd for import / export in India
- Fiber Optic Internet: Bharat Telecom Bees Rates
- Internet: Where is Bharat Telecom?
- Bharat Telecom crafts ambitious FTTH initiative
- Future Business Opportunities For Bharat Telecom ltd
    - 10th Commonwealth Telecommunications Organization Forum
    - Bees launches its internet services through fibre broadband at Quatre-Bornes
    - ICT-BPO International Conference 2012
    - Stock Exchange Communiqués

CONCLUSION

- Mauritius Telecom now has 240,000 connected direct lines which equate to 22 lines per 100 inhabitants. In 1998, in SADC the penetration of personal computers was 1.97 per 100 inhabitants on average and the tele-density was 5 fixed telephone lines per 100 inhabitants whereas the world average stood at 6.43 per 100 inhabitants and 14.26 per 100 inhabitants respectively
- The Copyright Act 1997 provides the appropriate legal framework for the protection of intellectual property rights, including software and electronic databases. The Telecommunication Act 1998 provides for the establishment and management of Mauritius Telecommunications Authority with extensive powers to ensure a better regulation of the telecommunications sector in the interest of consumers and providers of telecommunication services
- Mauritius is actively pursuing a policy to make telecommunications the fifth pillar of its economy and to become a regional telecom hub
- BTL is first industry-player to provide FTTH (Fiber to the Home) service to Mauritian households. Amongst other services IPTV and High Speed Broadband Internet will be introduced on this platform by the company
- BTL will, for the first time also launch a new method of fiber laying known as HDD (Horizontal Directional Drilling) that drills underground without any need for road excavation.
- MT has acquired a 50% share in Vanuatu Telecom Ltd through its investment vehicle, Mauritius Telecom International Ventures, setup in 2011
- MT continues to improve broadband access through lower tariffs for both business and residential customers
- MT is the country's only telecommunications company that provides universal services and universal access. To meet these responsibilities, the company is committed to developing its networks throughout the country and to providing effective services to all citizens and residents within the Republic of Mauritius.
- Cell plus, which provides data roaming in addition to voice roaming facilities, has roaming agreements with more than 260 operators in 126 countries. In 2007
- CSL is gearing up to play an important role in the BPO industry in Mauritius as well as in the international market

- 29th May 1989 - Emtel Ltd became the first mobile telephony operation in the whole Southern Hemisphere

A

PROJECT REPORT

ON

GLOBAL COUNTRY REPORT OF MAURITIUS

EMTEL LIMITED, MAURITIUS.

SUBMITTED TO
OXFORD SCHOOL OF MANAGEMENT

(IN PARTIAL FULFILLMENT OF THE REQUIREMENT OF THE AWARD FOR THE DEGREE OF MASTER OF BUSINESS ASMINISTRATION)
In
Gujarat Technological University

UNDER THE GUIDANCE OF:-
Prof.Rupesh Patel
(Assistant Prof.)

SUBMITTED BY:-ENROLLMENT NO:-

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[Batch: 2011-13]
MBA SEMESTER III/IV
MBA PROGRAMME
Affiliated to Gujarat Technological University

1.1:- INTORDUCTION:-

Telecommunications has entered a period of explosive, global growth and is evolving as the modern trade route. The telecommunications revolution is reflected by the technological changes, the competitive forces, the privatisation of state monopolies and the emergence of new companies and consortia of global service providers. In response, Government decided to formulate a new set of policies to ensure that the nation possesses the necessary infrastructure and regulatory framework to take full advantage of the changing global environment.

Telecommunications is both a vital underlying means of transport of all forms of economic activity and a traded service in its own right. Government recognises that a modernised telecommunications system is central to the economic development of the country and that privatisation and economic liberalisation of telecommunications is a critical condition for attracting the capital needed to achieve the necessary targets. This is highlighted in the White Paper on Privatisation and Workers' Participation which was issued by Government in May this year.

The Green Paper on Telecommunications "Strategies and Policies for Info-Communications Sector 1997-2007" presented the broad policy issues that had to be considered in order to formulate the required strategies for the development of the telecommunications sector over the coming decade. Government is determined to ensure the widest participation in the formulation of any policy bearing in mind the nation's interest and the will to push Mauritius forward as an info-communications hub in the region. I strongly appreciate the contributions of all stakeholders and the public in the consultation process that preceded the formulation of the policies presented in this White Paper.

➢ IN MAURITIUS

Telecommunications had an early beginning in Mauritius, with the first telephone line installed in 1883, seven years after the invention of the telephone. Over the years, the network and telephony improved. By the late 20th century, the rapid development and convergence of information and telecommunications technologies gave rise to an ICT industry on the island along with many incentives provided by the government. The government thus aims to make the ICT sector the 5th pillar of the Mauritian economy and Mauritius a Cyber Island.

TELECOMMUNICATION IN MAURITIUS:-

This section reviews Mauritius's Telecom industry, its history, regulation, and liberalization.

The first telephone in Mauritius was installed in October 1883 and further telegraph services were available in 1901. [ITU, 2004]

Established in 1988 Mauritius Telecommunication Service Ltd. (MTS) managed telecommunication within the country. The Overseas Telecommunication Services Ltd. (OTS) provided international telecommunication services from 1968 through 1985. In 1992 both companies MTS and OTS merged to become Mauritius Telecom. [ITU 2004]

In 1997, 69 countries signed the WTO telecommunication agreement. Mauritius made an commitment to implement WTO telecommunication agreement by January 1, 2005.Mauritius Telecom had exclusive right to provide PSTN and other international service. The license to provide PSTN and international service was issued to Mahaganar Telecom, an Indian subsidiary. However, service has not rolled out to consumers.

A subsidiary of Mauritius Telecom Cellplus Mobile Communication and Emtel Ltd. are two major players in mobile industry in the country. Mahaganar has license to service in mobile industry but have not started its operations.

In 2003 the population of the Mauritius was 1.23 million and about 348 thousand fixed telephone lines were connected and about 462 thousand mobile subscribers. With 77% of fixed telephone line penetration and estimated 80% fixed and mobile telephone penetration, Mauritius stand third largest in Africa in 2003. Average cost of the telephone line is about Rs. 78 (US$2.5) and according to the analyst with less than 3% of salary 98% of the household in the country could afford a phone line. Despite low cost only 27.20 fixed phone lines per 100 inhabitants was accounted in 2003 and 27.76 mobile line per 100 inhabitants.

INDUSTRY ANALYSIS:-

The island nation of Mauritius sports some of the best telecommunication market indicators in Africa and has been the first with many innovations: Africa's first cellular system was launched there in 1989, the first commercial 3G mobile service in 2004, the world's first nationwide WiMAX wireless broadband network in 2005, and one of Africa's first IPTV services in 2006.

With strong tourism and financial services sectors, Mauritius's economy has been hit harder by the global economic crisis than many other African countries. However, IMF forecasts predict that after a dip to around 2% in 2009 and 2010, annual GDP growth will return to levels between 4% and 5% again from 2011.

The incumbent telco, Mauritius Telecom (MT) has been partially privatised and all sectors of the market are open to competition. Served by a modern, digital fixed-line network, two fibre optic submarine cables for international connectivity, three mobile networks, various broadband and other service providers, Mauritius is actively pursuing a policy to make telecommunications the fifth pillar of its economy and to become a regional telecom hub with Singapore as a role model.

At more than 80% penetration, the mobile market is approaching saturation. The 3G service segment is showing the highest growth rates for the two GSM-based networks-Orange (MT in partnership with France Telecom) and Emtel, operated by Millicom International. The strongest overall subscriber growth is currently seen by the third mobile network, Mahanagar (MTML), which is undercutting its competitors' tariffs and offers an EV-DO broadband service through a CDMA2000 network. MTML is also the country's second fixed-network operator.
Mauritius was also one of the first countries in Africa to legalise VoIP telephony. Combined with the well-developed infrastructure this has led to the introduction of converged voice, Internet and broadband TV services which have been taken up by the majority of broadband users. Further improvements in this sector and lower prices are expected from the landing of the second international submarine cable which is providing alternative routes to Europe. Estimated market penetration rates in Mauritius's telecoms sector-end 2010
MarketPenetration rate
Mobile85%
Fixed31%
Internet23%

HEALTHY GROWTH FORECAST FOR TELECOM INDUSTRY:-

The telecom industry may be one bright spot in a troubled world economy. While global growth is forecast by The Conference Board to grow at about 3% annually from 2012 to 2016, worldwide telecommunications services revenue is projected to increase from $2.1 trillion in 2012 to $2.7 trillion in 2017 at a combined average growth rate of 5.3%, according to a news release announcing a new market research report by The Insight Research Corporation.

Demand from consumers and businesses for wireless services is reportedly fueling that industry revenue growth. Geographically, Asia and other emerging markets will boost wireless revenues by 64%, while wireline revenues are expected to show only modest growth.

Most of the growth in both the wireless and wireline sectors is expected to come from broadband services, with wireless 3G and 4G broadband services forecast to grow at a compounded rate of 24% from 2012 to 2017. Over the same period, wireline broadband services are predicted to grow at a compounded rate of 13%.

Congruent with the report's information that Asia and emerging markets will be important for telecom growth, The Conference Board projects that overall gross domestic product (GDP) growth between 2012 and 2016 will be 7% in China, 6.4% in India, and 4.1% in "other developing Asia."

"Despite global economic uncertainty, the telecommunications industry is showing strong revenue growth, which is being driven by consumer Internet usage and business mobility solutions. These are enabling new applications," said Fran Caulfield, Research Director for Insight Research.

As the telecom services sector projects growth, so too are mobile phone manufacturers readying next-generation products to drive sales.

At this year's CES, Verizon Wireless (a joint venture of Verizon Communications andVodafone) added six new 4G long term evolution (LTE) devices to its expanding list.Sprint Nextel announced plans to launch about 15 4G LTE devices – including handsets, tablets, and data cards – in 2012. AT&T, meanwhile, plans to launch the Xperia ion, a 4G LTE smartphone made by Sony, in the second quarter of 2012. It will be the first smartphone to be sold in the US under the Sony brand.

Additionally, Morgan Stanley reports that Nokia stands to sell up to 37 million Windows phone handsets in 2012 and another 64 million in 2013. Microsoft and Nokia will spend $20 million to promote that product.

Trends and Developments in Mauritius's Elecommunications Market:-

The island nation of Mauritius sports some of the best telecommunication market indicators in Africa and has been the first with many innovations: Africa's first cellular system was launched here in 1989, the first commercial 3G mobile service in 2004, the world's first nationwide WiMAX wireless broadband network in 2005, and one of Africa's first IPTV services in 2006.

With strong tourism and financial services sectors, Mauritius's economy is expected to continue growing at more than 4% per year.

The incumbent telco, Mauritius Telecom has been partially privatised and all sectors of the market are open to competition. Served by a modern, digital fixed-line network, two fibre optic submarine cables for international connectivity, three mobile networks, various broadband and other service providers, Mauritius is successfully pursuing a policy to make telecommunications the fifth pillar of its economy and to become a regional telecom hub with Singapore as a role model.

At around 100% penetration, the mobile market is virtually saturated. There are three GSM networks – Orange (Mauritius Telecom in partnership with France Telecom), Emtel (operated by Millicom International) and Mahanagar, a subsidiary of India's MTNL which is also the island's second fixed-line operator using CDMA2000 technology.

The highest growth rates are currently seen in the mobile broadband sector, where HSPA and EV-DO based 3G services are competing with fixed-line DSL and other wireless broadband offerings, including WiMAX. FttC and FttH rollouts are in progress and have already brought 100Mb/s connections to businesses, with nearly nationwide coverage planned for 2015. The landing of a second international submarine fibre optic cable has brought prices down further in a broadband market that was already one of Africa's most developed.

➢ MARKET HIGHLIGHTS:

- One of the highest levels of market penetration in Africa;
- Third mobile operator switches to GSM, plans to launch 3G in 2012;
- Further price cuts in DSL and mobile broadband;
- Nationwide FttC/FttH coverage planned for 2015;
- Estimates for mobile, fixed-line and internet market to end-2012;
- Mobile market forecast for 2013 and 2016;
- Profiles of major players in all market sectors;
- Pricing comparison of all major broadband services (ADSL, WiMAX, triple play, 3G mobile).

➢ ESTIMATED MARKET PENETRATION RATES IN MAURITIUS'S TELECOMS SECTOR – END 2012

Market	Penetration rate
Mobile	102%
Fixed	28%
Internet	29%

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Market	Penetration rate
Mobile	102%
Fixed	28%
Internet	29%

MAURITIUS TELECOM INDUSTRY STRATEGY:-

➢ INTRODUCTION

This case study looks at the relationship between international bandwidth prices in Mauritius and the impact of its Cyber Island strategy. Whilst other countries along the SAT3/SAFE cable have struggled to find ways to address the high costs of monopoly international bandwidth on this cable, Mauritius has used a price determination to address the issue. Interestingly, once the process was announced, the incumbent Mauritius Telecom itself decided to lower prices ahead of the determination.

The example of Mauritius perhaps has lessons for other countries in Africa that want to find ways of changing the basis of their economies so that they can add "smart exports" alongside raw materials extraction, agriculture and tourism. Whilst it is always hard to draw direct causal links between bandwidth prices and wider changes in the economy, it is clear that Mauritius' call centre / Business Process Outsourcing (BPO) sector began to get significant growth in the years when the international bandwidth prices came down.

The nature of "smart exports" - where countries use brain-power to add value to basic tasks - may change in the coming period. Although multinational companies have been driven to reduce their operating costs, they are also reflecting on the successes and failures of outsourcing. But there will also be new waves of outsourcing: for example, Lucas Films (responsible for the Star Wars movies) has set up a major new operation in Asia to do animation and specials effects. But whatever happens next, competitive international bandwidth will be essential to any country that wants to get this kind of work in the future.

➢ BACKGROUND

The process of liberalisation in Mauritius has in some ways been different from elsewhere in Africa. Mauritius Telecom's mobile subsidiary Cellplus launched in 1996 and was followed by Emtel which launched in 1998. Two years later in 2000 the Government privatised Mauritius Telecom by selling 40% to France Telecom for US$261 million.

Although other telco operators and ISPs have been licensed, most have remained small alongside Mauritius Telecoms' operations in these fields. However, unusually the regulator, the ICT Authority (ICTA) licensed a couple of VoIP service providers whose primary purpose was to offer cheaper international calling rates.

The telecoms sector in Mauritius currently has seven main companies: Mauritius Telecom (40% owned by France Telecom), MTML (Indian-owned Mahanagar Telephone Mauritius Ltd); Emtel (a joint venture between local owners, Currimjee Jeewanjee & Co Ltd and Millicom); NOMAD (owned by Dubai-based Galana); DCL (Data Communications Ltd), Outremar Telecom (French-owned) and Hotlink Co Ltd.

Of these, three have licences to offer mobile services (Emtel, Cellplus - recently rebranded as Orange - and MTML) and two have licences for fixed services, Mauritius Telecom and MTML. The latter offers a fixed wireless product to customers. At the end of 2007, there were 843,791 mobile subscribers and 361,319 fixed line subscribers. Unusually Mauritius Telecom is still adding fixed line customers. Cellplus has a 60% share and Emtel a 40% share of the mobile market. MTML's share is still currently negligible.

Although estimates vary, there seem to be about 50-60,000 Internet subscribers. Of these, Mauritius Telecom has 32,000 DSL subscribers and it has launched a Triple Play service offering television and Video downloads.

Emtel introduced High-Speed Downlink Packet Access (HSDPA), [a mobile technology with speeds of up to 1.8 mbps] in 2007 in some area and offers a USB modem for the service with packages costing as little as US$12 per month. These services are available in all the main locations on the island, including Cybercity. It also introduced data services in the same year through its own Wi-MAX network. Currently it runs a microwave backbone but by October 2008 will have built its own fibre backbone.

NOMAD was created after a local ISP called Network Plus was taken over by the current owners, African Digital Bridges Networks Ltd, which is in turn owned by Galana. DCL specialised in international Internet telephony (with its VoIP Easicall product) and on providing services to the BPO and call centre sector. Hotlink also offers international Internet telephony under the brand name of Yello International Call Carrier and has a partnership with an international wholesaler. Outremar Telecom is owned by a company of the same name in France that built its reputation on offering cheap international calls and is doing the same in Mauritius.

The combination of liberalisation and VoIP have considerably reduced international calling prices with even mobile rates falling to as little as 16 cents a minute for major destinations.

The ICT Act of 2001, it Amendment Act of 2002 and the Telecommunications Directive No 1 of 2008 are the key pieces of framing legislation for the sector. The first of these acts set up the regulator ICTA. Also in the same period, the Mauritius Government set up many of the enabling agencies that have played a part in the changes described below. These included the National Computer Board and the Board of Investment and other bodies covering among other things business parks (responsible for Cybercity), the Freeport and the export processing zone.

The Government realised that in a shifting global economy the economic significance of commodity exports like sugar would diminish in value and that Mauritius would have to carve itself a new vision to be part of this changing world. It wanted to move into the "smart" exports sector where people's brain work added value to basic tasks.

Mauritius remains unique in its region in having identified ICT as a fifth pillar of its economy alongside sugar, textiles, tourism and financial services. However, it not only described a compelling vision but it went out and put it into practice. As demonstrated later, the need for cheaper bandwidth became an essential part of delivering this vision. Mauritius was connected to the SAFE cable in 2000 just at the beginning of this process.

The vision had a number of strands: firstly, Mauritius wanted to attract call centres, business process outsourcing (BPO) and computer software programming; secondly, it wanted to take advantage of the bilingual capability of its citizens who speak both French and English; and thirdly, it wanted to attract computer assembly work.

Its Cybercity project was launched in Ebene, 15 kilometres south of the capital, in November 2001. The "anchor tenant" was a 12 storey double tower block to attract companies who could take advantage of a number of existing corporate incentives including low company taxes (15%), free repatriation of profits and exemption from customs duties and raw materials. To address ICT skills shortages it allowed international professionals to come and work with a new Green Card.

Mauritius also wanted to take advantage of its geographic location between Asia and Africa and make this an advantage companies would find attractive: the new SAFE cable gave it the means of communications to make this point a practical reality.

Although there was a considerable level of scepticism that the strategy would actually deliver change and fears that the Government-constructed double-tower in Ebene would become a "white elephant", the strategy has in the main been delivered.

CONCLUSION

Telecommunications had an early beginning in Mauritius, with the first telephone line installed in 1883, seven years after the invention of the telephone. Over the years, the network and telephony improved. By the late 20th century, the rapid development and convergence of information and telecommunications technologies gave rise to an ICT industry on the island along with many incentives provided by the government. The government thus aims to make the ICT sector the 5th pillar of the Mauritian economy and Mauritius a Cyber Island.

Mauritius Telecom (MT) has been partially privatised and all sectors of the market are open to competition. Served by a modern, digital fixed-line network, two fibre optic submarine cables for international connectivity, three mobile networks, various broadband and other service providers, Mauritius is actively pursuing a policy to make telecommunications the fifth pillar of its economy and to become a regional telecom hub with Singapore as a role model.

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GLOBAL / COUNTRY STUDY AND REPORT

ON

"Essar Energy Limited"

Submitted To

Oxford School of Management

IN PARTIAL FULFILLMENT OF THE

REQUIREMENT OF THE AWARD FOR THE DEGREE OF

MASTER OF BUSINESS ASMINISTRATION

In

Gujarat Technological University

UNDER THE GUIDANCE OF

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Affiliated to Gujarat Technological University

Ahmadabad

April, 2013

Energy Sector: An Overview

The Energy sector has always been recognized one of the most important driving force behind economic growth and development of a nation. The energy sector assumes even more significance for developing countries, in view of their ever increasing energy needs and the huge investment required. There is a direct relationship between economic growth and consumption of energy. Economic growth is contingent upon availability of cost effective and environment friendly energy sources. The energy demand is a good indicator for economic development.

The energy sector has been receiving high priority over the years in the planning process. The energy sector accounted for 23.43% of the total allocation

in the 11thFive Year Plan from 2007 to 2012. The Indian power sector has almost doubled its generation capacity over the past decade, up from about 96 GW in 2000 to 170 GW in 2011. In spite of this, the electricity demand continues to surpass the supply. There was still a shortfall of 10.3 % and peak shortage of 13% in the country during 2011-12. India has seen explosive economic growth over the past few years with a 9 % growth rate. To maintain that rate, the nation will need to add another 169 GW of power capacity in five years according to the Indian Planning Commission. On the eve of the

59th Independence Day (on 14 August 2005), the President of India emphasized that energy independence has to be the nation's first and highest priority, and India must be determined to achieve this within the next 25 years. India has always been dependent on coal for its energy generation. Nearly 70 % of India's energy requirement is met from conventional sources like coal, oil and gas. Renewable energy sources offer viable option to address the energy security concerns of a country. Today, India has one of the highest potentials for the effective use of renewable energy. There is a significant potential in India for generation of power from renewable energy sources—wind, small hydro, biomass, and solar energy. The Indian government plans to establish 20 GW solar power generation capacity by 2022. Renewable energy is being seen as a big potential source of generating power as India owing to its geographic advantages has access to critical natural resources such as water, wind and sun. The country is gearing up to meet the challenge of mobilizing huge investments required to tap the renewable energy sources.

More and more nations are moving from conventional sources like coal towards other renewable sources. Germany is the leading country for producing solar power. It produces 4 % of its energy requirement from these sources and produces solar energy equivalent to the total solar power produced by rest of the world. Recently, Germany produced a new record for solar power generation. German solar power plants produced a world record 22 GW of electricity per hour - equal to 20 nuclear power stations at full capacity. The US is also investing heavily in solar energy. Developing nations are increasingly moving towards nuclear energy, since the investment required for producing energy from renewable sources like solar energy is very high. There is an urgent need to conserve energy and reduce energy requirements by demand-side management and by adopting more efficient technologies in all sectors.

2.4 ROLE IN THE ECONOMIC OF ESSAR ENERGY

Economic Environment

Essar Energy is determined to continue its focus on minimizing the environmental impact from the construction and operation of its assets. Although this is a major challenge, it is also an opportunity to show how it can make a difference.

Essar Energy recognizes its clear responsibility towards climate change mitigation and adaptation, viewing climate change as an opportunity that will strengthen the Company and position it for future growth and success.

In particular, it is important to have a structured approach to carbon management to manage the impact of climate regulations.

Our approach towards climate change mitigation and adaptation is aimed at providing clean solutions to our customers and reducing our own carbon footprint by adapting the latest technology and energy conservation measures. In addition, managing regulations, stakeholders' expectations and costs are key factors in our approach.

After a detailed structured greenhouse gas (GHG) accounting process and disclosure at the Carbon Disclosure Project (CDP) following international protocols, Essar Oil is working towards a robust GHG management system to deliver results on a year on year basis and to show its positioning relative to industry standards. CDP ranked Essar Oil the best in carbon management in India in the energy sector during the year 2011. Essar Oil gradually intends to build GHG reduction targets to operational levels, requiring each operation to assess their GHG performance and to look for best practices to monitor, inventories, report and own the GHG emissions stemming from their operations.

Looking at climate change as a key element of sustainable growth for our Company prepares us to respond to evolving scenarios in relation to climate change (e.g. regulatory, stakeholder, financial risks and opportunities).

The following businesses of the Group are certified to ISO 14001:2004 requirements.

Essar Energy Holdings Limited

Essar Oil Limited (Vadinar refinery)

Essar Power Holdings Limited

Essar Power, Hazira Limited

Given the large requirement for water in the energy production and refining processes, management of water resources is critical. The company has taken considerable steps to reduce water usage and has also started collecting rainwater. This has meant that the water sources near Essar Energy's plants have not been significantly affected by the withdrawal of water for industrial use.

2.6 ABOUT ESSAR ENERGY

Essar Energy is a world-class, low-cost, integrated energy company focused on India and well-positioned to capitalise on India's rapidly growing energy demand.

Essar Energy is a world-class, low-cost, integrated energy company focused on India and well-positioned to capitalise on India's rapidly growing energy demand. We have an established track record, and US$18 billion of assets across the power and oil and gas industries.

Our capacity

Oil and Gas

Essar Energy's refining and marketing business primarily consists of the Vadinar refinery, the second-largest private sector refinery in India, the Stanlow refinery in the United Kingdom and a 50% interest in the Kenya Petroleum Refinery Limited. Essar Energy serves retail customers in India through a modern, countrywide network of 1,600 operational and under construction retail fuel outlets.

In the oil and gas sector, the company has 15 blocks and fields in the various stages of exploration and production of oil and gas in India, Indonesia, Madagascar, Nigeria and Vietnam. Total reserves and resources across these blocks is 2,034 mmboe.

Power

Essar Energy has seven operational power plants in India and one in Algoma, Canada, with a total installed capacity of 3,910 MW. This capacity is increasing to 6,700 MW by the end of March 2014. Essar Energy also has access to approximately 500 mt of coal resources across seven coal blocks in India and overseas.

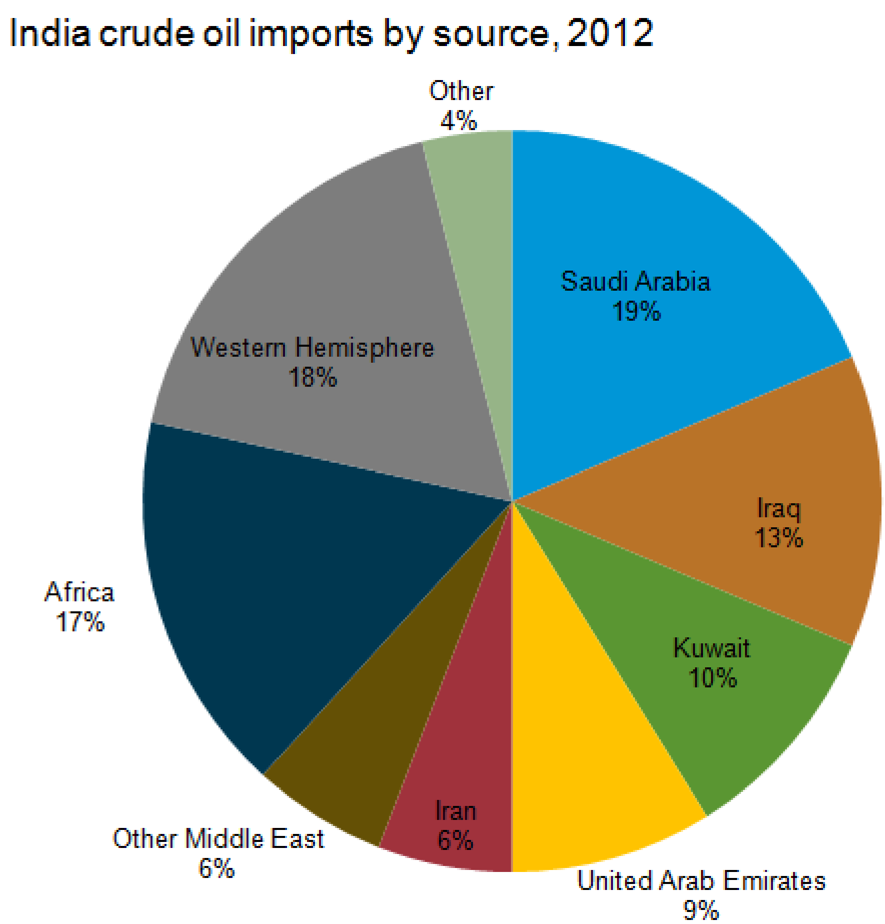
Our stock listings

Essar Energy (ESSR) is listed on the London Stock Exchange (LSE) and made its entry into the FTSE 100 Index in June 2010. In India, the company operates its oil and gas business through Essar Oil, which is listed on the Bombay Stock Exchange and the National Stock Exchange of India.

The company's IPO in May 2010 raised US$1.9 billion gross proceeds (US$1.8 billion net proceeds), and at that time was the largest primary offering in the London market since 2007.Essar Energy has 13 major growth projects under execution and completed acquisition of the Stanlow refinery in the United Kingdom in July 2011.

On December 6, 2011 Essar Energy launched its sponsored level 1 American Depository Receipt (ADR) programmed. Trading under the symbol 'ERERY', each ADR represents two ordinary shares of Essar Energy and is traded on the U.S over - The - Counter (OTC) market. The establishment of ADR programmed will benefit the existing shareholders by making its share more accessible to U.S. investors and provide Essar Energy with increased visibility within the U.S market.

3.1 comparative positions with other country



The Indian Ocean historically has been a major transit route, bringing crude oil from suppliers in the Persian Gulf and Africa to markets in Asia. Tanker sea lanes pass near Indian waters between major chokepoints such as the Strait of Malacca and the Strait of Hormuz (See the World Oil Transit Chokepoints report).The majority of Indian ports are located on the country's western side to receive shipments of crude oil from these routes.

India has increased its oil imports from about 40 percent of demand in 1990 to more than 70 percent of demand by 2011. Saudi Arabia is India's largest supplier, at about 19 percent of oil imports; in total, approximately 64 percent of India's imported oil came from Middle East countries in 2012. The second biggest source of imports is Africa (17 percent), with the majority of that oil coming from Nigeria.

The government has encouraged companies to acquire overseas upstream assets as a way to shield the domestic energy sector from global price volatility. Indian companies hold large stakes in Sudan's GNOP block and Russia's Sakhalin-1 project. Recently, Indian firms have also explored assets in the Caspian Sea and Central Asia. For example, ConocoPhillips announced it was selling its stake in a north Caspian Sea production sharing agreement to ONGC in late 2012. Hess Corp. announced a similar deal with ONGC for oil fields in Azerbaijan.

Despite being a net importer of crude oil, India has become a net exporter of petroleum products by investing in refineries designed for export, particularly in Gujarat. Essar Oil and RIL export naphtha, motor gasoline, and distillate fuel oil to the international market, particularly to Singapore, the United Arab Emirates, and Indonesia. RIL has also targeted U.S. markets and leased storage space in New York harbor in 2008. However, the government encourages the companies to focus on supplying domestic markets before selling abroad.

3.2 Comparative analysis India with other country

Energy vs Other Resources

Commodity	Metric Tons (000s)	Per Capita (kg)
Coal	6,900,000	1000.0
Oil	4,330,000	627.54
Natural Gas	2,020,000	292.75
Uranium	42.7	0.0062
Energy Resources	**13,250,043**	**1,920**
Aluminum	36,900	5.3478
Copper	15,800	2.2899
Lead	3,900	0.5652
Nickel	1,430	0.2072
Cobalt	62.0	0.0090
Lanthanum	32.9	0.0048
Silver	21.4	0.0031
Neodymium	19.1	0.0028
Lithium	18.0	0.0026
Technology Metals	**58,183**	**8.432**

India's largest energy source is coal, followed by petroleum and traditional biomass (e.g., burning firewood and waste). Since the beginning of the New Economic Policy in 1991, India's population increasingly has moved to cities, and urban households have shifted away from traditional biomass to other energy sources. The industrial sector is the largest energy consumer, representing over 40 percent of India's total primary energy demand in 2009, and is mostly fueled by traditional biomass, according to the International Energy Agency (IEA). The power sector is the fastest growing area of energy demand, increasing from 23 percent to 38 percent of total energy consumption between 1990 and 2009.

A 2012 report by the IEA estimated that nearly 25 percent of the population lacks basic access to electricity, while electrified areas suffer from rolling electricity blackouts. The government seeks to balance the need for electricity with environmental concerns from the use of coal and other energy sources used to produce that electricity.

Present Position and Trend of Business (import / export) with India / Gujarat

Trade

Although traditionally not a major importer of coal, India began to import small volumes of coking coal to meet high demand in the steel and iron industry. With a widening gap between supply and demand, India has increased coal imports over recent years from several key countries. India imports thermal coal (for power plants) mainly from Indonesia and South Africa and imports coking coal (for steel production) from Australia. Imports reached about 11 percent of total coal demand in 2011.

India is the fourth largest energy consumer in the world after the United States, China, and Russia.

In 2011, India was the fourth largest energy consumer in the world after the United States, China, and Russia. India's economy grew at an annual rate of approximately 7 percent since 2000 and proved relatively resilient to the 2008 global financial crisis. India was the 10th largest economy in the world in 2011, as measured by nominal gross domestic product (GDP). In the *International Energy Outlook 2011*, EIA projects India and China to account for the biggest share of Asian energy demand growth through 2035. Risks to economic growth in India include high debt levels, infrastructure deficiencies, and political polarization between the country's two largest political parties.

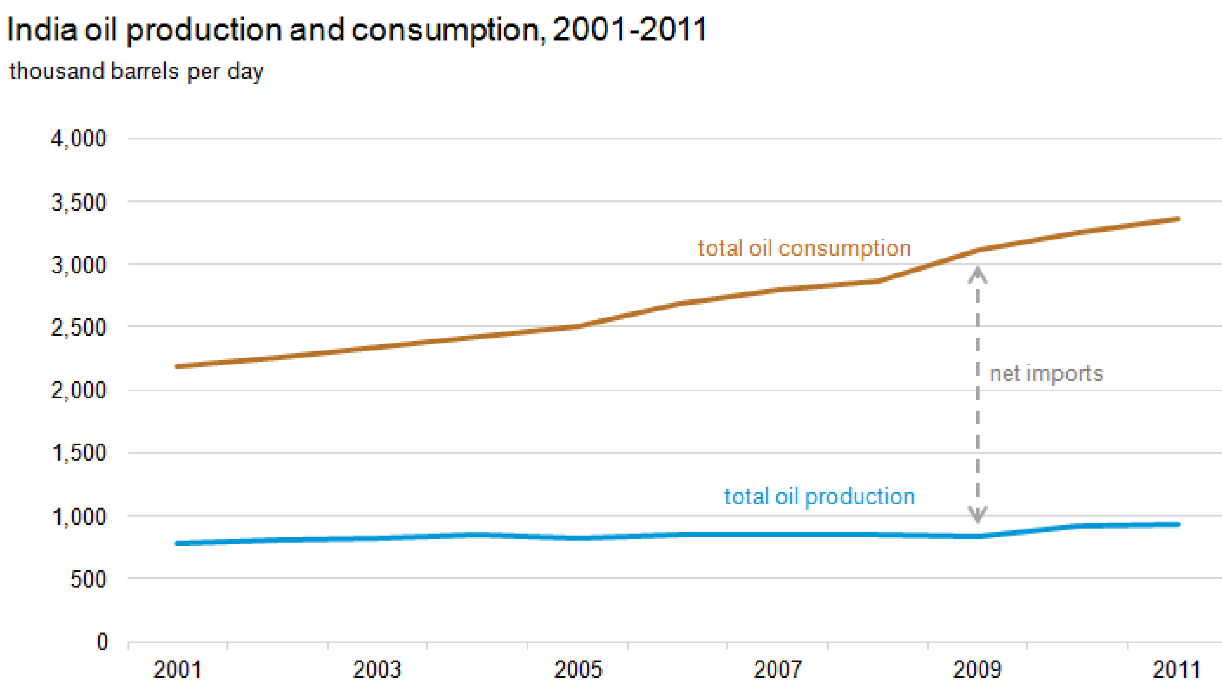
India's energy policy above all focuses on securing energy sources to meet the needs of its growing economy. Primary energy consumption has more than doubled between 1990 and 2011. At the same time, India's per capita energy consumption remains lower than that of developed countries, according to the International Energy Agency (IEA). Given that the service industry accounts for more than half of India's output, further economic growth could remain relatively non-energy intense.

The government may not be able to deliver secure supplies to meet demand because of fuel subsidies, increasing import dependency, and inconsistent energy sector reform. Some parts of the energy sector, such as coal production, remain relatively closed to private and foreign investment. Despite having large coal reserves and a healthy growth in natural gas production over the past two decades, India remains very dependent on imported crude oil. In early 2013, India's petroleum minister Veerappa Moily announced that the ministry would work on an action plan to make India energy independent by 2030 through increased hydrocarbon production, unconventional resources such as coalbed methane and shale, foreign acquisitions by domestic Indian companies, and reduced subsidies on motor fuels. These actions either increase India's energy supply or lower demand.

Oil & other liquids

India was the fourth largest consumer of oil and petroleum products in the world in 2011, after the United States, China, and Japan. The country depends heavily on imported crude oil, mostly from the Middle East.

India was the fourth largest consumer of oil and petroleum products after the United States, China, and Japan in 2011. It was also the fourth largest importer of oil and petroleum products. The high degree of dependence on imported crude oil has led Indian energy companies to attempt to diversify their supply sources. To this end, Indian national oil companies (NOCs) have purchased equity stakes in overseas oil and gas fields in South America, Africa, and the Caspian Sea region to acquire reserves and production capability. However, the majority of imports continue to come from the Middle East, where Indian companies have little direct access to investment.



Indian polices for import and export Energy policy of India

The **energy policy of India** is largely defined by the country's burgeoning energy deficit and increased focus on developing alternative sources of energy, particularly nuclear, solar and wind energy.

About 70% of India's energy generation capacity is from fossil fuels, with coal accounting for 40% of India's total energy consumption followed by crude oil and natural gas at 24% and 6% respectively. India is largely dependent on fossil fuel imports to meet its energy demands — by 2030, India's dependence on energy imports is expected to exceed 53% of the country's total energy consumption. In 2009-10, the country imported 159.26 million tones of crude oil which amounts to 80% of its domestic crude oil consumption and 31% of the country's total imports are oil imports. The growth of electricity generation in India has been hindered by domestic coal shortages and as a consequence, India's coal imports for electricity generation increased by 18% in 2010.

India has the world's fifth largest wind power industry, with an installed capacity of 11800 MW. Shown here is a wind farm in Kayathar, Tamil Nadu.

India has the world's 3rd largest coal reserves. Shown here is a coal mine in Jharkhand.

Due to rapid economic expansion, India has one of the world's fastest growing energy markets and is expected to be the second-largest contributor to the increase in global energy demand by 2035, accounting for 18% of the rise in global energy consumption. Given India's growing energy demands and limited domestic fossil fuel reserves, the country has ambitious plans to expand its renewable and nuclear power industries. India has the world's fifth largest wind power market and plans to add about 20GW of solar power capacity by 2022.India also envisages to increase the contribution of nuclear power to overall electricity generation capacity from 4.2% to 9% within 25 years. The country has five nuclear reactors under construction (third highest in the world) and plans to construct 18 additional nuclear reactors (second highest in the world) by 2025.

LISENCE PROCESS

Market Entry Strategy

Finding partners and agents

New business must address issues of sales channels, distribution and marketing practices, pricing and labeling, and protection of intellectual property. Relationships and personal meetings with potential agents are extremely important. Due diligence is strongly recommended to ensure that partners are credible and reliable.

Geographic diversity

U.S. companies, particularly small and medium-sized enterprises, should consider approaching India's markets on a local level. Good localized information is a key to success in such a large and diverse country. The U.S. Commercial Service posts in New Delhi, Mumbai, Chennai, Ahmadabad, Bangalore, Hyderabad and Kolkata provide indispensable local information and advice and are well plugged in with local business and economic leaders. Multiple agents are often required to serve each geographic market in the country.

Market entry options

Options include using a subsidiary relationship, a joint venture with an Indian partner, or using a liaison, project, or branch office. It is strongly urged that U.S. companies consider a regional plan, focusing on multiple locations and markets within India and finding the appropriate partners and agents within each region.

TAXATION POLICY OF INDIA

Structure of corporate income tax

The imposition of such a tax varies from a domestic company to a foreign organization. Given below are the rates of corporate tax, which is levied on different companies:

a. Domestic Companies: Corporate Income Tax is levied at the rate of 35 % with an additional 5 % surcharge.

b. Foreign Organization (Including project offices or branch offices): Corporate Tax is calculated at the rate of 40 % with a 5 % surcharge. However, an Indian registered organization that is a foreign company's subsidiary is considered to be a domestic company for the computation of corporate taxes.

Central Sales Tax Popularly known as C. S. T., this tax is levied on the manufactured items at the rate of 4 %.

Local Sales Tax Governed by the tax legislation of respective states of the India Republic, Local Sales Tax or L. S. T. gets levied on any kind of sale, which takes place in a state. This tax generally goes up to 15%.

Excise Duty For most of the commodities, which are subject to the imposition of Excise Duty, the rate of tax ranges in between 0 % to 16 %. The duty on some of the items goes up to 32 %. Those goods are air conditioners, chewing tobacco, motor cars, pan masala, polyesters yarn, soft drinks and tires.

Custom Duty Basic Custom Duty rates vary in between 0 % to 30 %.

According to the World Trade Organization, trade represented 135.3% of Mauritius' GDP from 2006-2008. In 2008, merchandise exports totaled close to $2.4 billion while merchandise imports totaled over $4.6 billion. Also in 2008, commercial services exports totaled over $2.5 billion while commercial services imports totaled over $1.9 billion.

Note: The information in this snapshot can help identify trade factors that may impact investments in Mauritius. For example, the higher the Trade-to-GDP ratio the greater sensitivity Mauritius' economy might have to global economic, trade, and financial fluctuations. Also, changes in economies or industries of key trading partners may trigger changes in Mauritius' economy and industries.

Import and Export in Mauritius

Major Imports and Exports

According to the International Trade Centre, the top five export categories for Mauritius in 2008, along with percentage of total exports, were:

1. Articles of apparel and accessories made of knot or crochet (23.4%)
2. Commodities not specified elsewhere (13.1%)
3. Sugars and sugar confectionery (12.4%)
4. Articles of apparel and accessories not made of knit nor crochet (11.6%)
5. Meat, fish, and seafood food preparations (9.2%)

According to the International Trade Centre, the top five import categories for Mauritius in 2008, along with percentage of total imports, were:

1. Mineral fuels, oils, distillations products, etc. (21.5%)
2. Boilers, machinery, nuclear reactors, etc. (7.7%)
3. Electrical and electronic equipment (6.8%)
4. Fish, crustaceans, mollusks, and aquatic invertebrates (6.1%)
5. Vehicles other than railway (4.8%)

Major Trading Partners

The top three countries to which Mauritius exports merchandise, along with percentage of exports, are:

1. United Kingdom (30.8%)
2. France (15.1%)
3. United States (8.6%)

The top three countries which import merchandise to Mauritius, along with percentage of imports, are:

1. India (21.1%)
2. France (11.8%)
3. South Africa (9.9%)

Potential for import / export in India / Gujarat Market

Exploration and production

India had 5.5 billion barrels of proved oil reserves at the end of 2012, mostly in the western part of the country. Domestic production has stagnated in recent years, and Indian national oil companies increasingly purchase equity stakes in overseas oil fields.

According to the Oil & Gas Journal, India had 5.5 billion barrels of proved oil reserves at the end of 2012. About 53 percent of reserves are from onshore resources, while 47 percent are offshore reserves. Most reserves are found in the western part of India, particularly western offshore, Gujarat, and Rajasthan. The Assam-Arakan basin in the northeast part of the country is also an important oil-producing region and contains more than 10 percent of the country's reserves.

Historically, ONGC dominated the upstream oil sector and relied on production from Mumbai High oilfield and its associated fields in western offshore. However, domestic crude production has stagnated and grown at an annual rate of one percent since 1990. In recent years, major discoveries in Barmer basin in Rajasthan and the offshore Krishna-Godavari basin by smaller companies such as Gujarat State Petroleum Corp and Andhra Pradesh Gas Infrastructure Corp. hold some potential to diversify the country's production.

India's relatively small land-based resource endowment means companies require more upstream technical expertise to tap into offshore reserves. Foreign companies historically took the lead in exploring new offshore opportunities. For example, Cairn India brought on line the largest field, Mangala, of the RJ-ON-90/1 block in Barmer basin in 2009, with a production capacity of 130,000 barrels per day (bbl/d). However, foreign investment in India has waned in recent years, both because of increased competition from domestic Indian companies and India's complex exploration and production laws. Cairn Energy has sought to sell off its stake in Mangala, and several major oil companies, including ExxonMobil, Chevron, and BP, did not participate in the most recent NELP auction.

SWOT Analysis: Essar Energy

Strengths

1. Strong parent group company in Essar Group
2. Countrywide network of 1,600 operational and under construction retail fuel Outlets.
3. State of the art technologies at refineries
4. First Indian private sector company to enter petro retailing
5. Very active in CSR activities
6. Vadinar refinery is second largest private sector refinery in India
7. Access to coal reserves
8. Diverse portfolio of 15 blocks and fields
9. India has 4th largest reserves of coal in the world and is the 3rd largest producer in the world
10. India's crude oil reserves are 20th largest in the world
11. Low rate of accidents in plants

Weakness

1. Huge transmission and distribution losses
2. Continuity and robustness of supply chain
3. Company operations are bound by government regulations and fluctuations
4. Net sales are affected due to increasing cost

Opportunities

1. There is huge gap between demand and supply. In 2011, India's power requirement felt short by 13%
2. Large pool of highly skilled technical personnel available
3. Increasing lifestyle trends of people
4. Technological development and innovation
5. Scope for expansion into new markets and verticals like solar and wind energy Generation.
6. Improved storage techniques and technologies
7. Heavy industrialization is causing increase in the demand for energy
8. Scope for merger and acquisitions with foreign partners

Threats

1. Bureaucracy
2. Legislation changes
3. Environmental factors
4. Operational risks
5. Industry is driven in large part by policy, making it subject to political changes
6. Economic instability
7. Unforeseen shortages of raw materials like coal
8. Subsidies provided to government owned PSUs

A

GLOBAL COUNTRY STUDY AND REPORT

ON

LAMCO INSURANCE INTERNATIONAL LTD.

SUBMITTED TO

OXFORD SCHOOL OF MANAGEMENT

IN PARTIAL FULFILLMENT OF THE REQUIREMENT OF THE AWARD FOR THE DEGREE OF

MASTER OF BUSINESS ASMINISTRATION

IN

GUJARAT TECHNOLOGICAL UNIVERSITY

FACULTY GUIDE:-

Prof.Rupesh Patel

SUBMITTED BY

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118000592088	PATEL RIDHDHI PRAHLADBHAI
118000592089	THAKOR VIKRAM PRADHANJI
118000592090	VAIDH HARSHAVADAN KANAIYALAL

[Batch: 2011-13]

MBA SEMESTER-IV

Affiliated to Gujarat Technological University

LAMCO
LENDERS ASSET MANAGEMENT CORPORATION

Mauritius Insurance Companies

OFFICES			
Office	**Location**	**Address**	
Head Office	**Port Louis**	12, Barracks street	
Sub Office 1	**Triolet**	8th Mile, Royal road	
Sub Office 2	**Flacq**	Royal Road, (Opp. Darwin College)	
Sub Office 3	**Rose Belle**	Ground Floor, Capitol Dream Mall	
Sub Office 4	**Rose Hill**	9, Sir Virgil Naz Street	
Sub Office 5	**Curepipe**	16, Leclezio Street	

Mauritian insurance company |

The insurance industry in Mauritius is well developed and makes extensive use of reinsurance facilities. Insurance regulation and supervision is entrusted to the Financial Services Commission (FSC).

The Financial Services Development Regulations 2001 lays out the framework to facilitate the establishment of captive insurance business. Applicants for captive insurance licensees are companies with a Category 1 Global Business Licence duly licensed by the Financial Services Commission. Captive Managers have been licensed to provide specialized services in the area of captive insurance.

Both pure captives and captives insuring second party and third party risk may be licensed. In the case of third party business the captive should demonstrate access to the necessary underwriting and analytical skills, financial soundness and a good track record. Full details of all programmes to be underwritten must be submitted for approval to the Financial Services Commission. Rent-a-captive and cell captives are also permitted.

A captive insurance company must obtain a licence to conduct captive business. The Captive Insurance Company may also have to appoint a licensed Management Company in Mauritius and a Principal Representative who will be accountable to the Commission

.

Types of captives

Captive General Insurance Business

- Minimum Paid-Up Capital: US$ 100,000
- Margin of Solvency: Surplus of assets over liabilities of US$100,000 or 15% of net premium income, whichever is higher.
- Liquidity Ratio: The value of the captive's admitted assets must not be less than 75% of the amount of its admitted liabilities.

Captive Long Term Insurance Business

- Minimum Paid-Up Capital: US$ 250,000
- Margin of Solvency: Liabilities not to exceed amount of long term insurance fund.

Captive General and Long Term Insurance Business

- Minimum Paid-Up Capital: US$ 350,000

This article is about risk management. For Insurance (blackjack), see Blackjack. For the contract between insurer and insured, see Insurance policy.

Insurance is the equitable transfer of the risk of a loss, from one entity to another in exchange for payment. It is a form of risk management primarily used to hedge against the risk of a contingent, uncertain loss.

An insurer, or insurance carrier, is a company selling the insurance; the insured, or policyholder, is the person or entity buying the insurance policy. The amount of money to be charged for a certain amount of insurance coverage is called the premium. Risk management, the practice of appraising and controlling risk, has evolved as a discrete field of study and practice.

The transaction involves the insured assuming a guaranteed and known relatively small loss in the form of payment to the insurer in exchange for the insurer's promise to compensate (indemnify) the insured in the case of a financial (personal) loss. The insured receives a contract, called the insurance policy, which details the conditions and circumstances under which the insured will be financially compensated.

LAMCO
LENDERS ASSET MANAGEMENT CORPORATION

COMPLAINTS HANDLING

Should you be dissatisfied with our services and you wish to make a complaint, please follow the steps indicated hereunder:-

 You should contact the Company's Complaints Coordinator, Mr N A Hariff at Lamco's Head Office 12 Barracks Street, Port Louis, Tel No. 212 4494/2221, Fax No 208 0612.

 The Complaints Coordinator will receive and register your complaint.

 You should provide the Complaints Coordinator with all relevant information and documents to process your complaint.

 A written acknowledgment of your complaint will be sent to you within 3 working days of your filing the complaint.

 The Complaints Coordinator will investigate the complaint and try to resolve and settle the complaint within 30 days from the date of the filing of the complaint.

 A final response, in writing, will be sent to you within the abovementioned time frame of 30 days.

 If, however, you are still unhappy about the outcome of your complaint, you may address yourself to the:

Financial Services Commission 54, Ebene Cybercity EBENE Tel: 403 7000 – Fax: 467 7172
E-mail – fscmauritius@intnet.mu

REO ASSET MANAGEMENT TEAM

FRANK W. HAWKES – FOUNDER

Frank w. Hawkes founded lamco on the heels of a very successful career as a vice president and manager of reo for mcn american corporation (american industrial bank of aurora). Hawkes was responsible for the transformation of the bank's reo department, including the implementation of a computerized operating system, a vendor and real estate broker value chain, and formal procedures for oversight management and process control. Hawkes received accolades for attaining reo disposition goals that had never been achieved by the bank. His letters of recognition from the institution's senior executives demonstrated his dedication, vision and achievement.

As this maryland-based bank was leaving colorado, hawkes founded lamco in 1989 to support other local and national banking institutions with their reo portfolios. By the end of 1991, lamco was in growth mode. With the economy and lending institutions feeling the effects of the nation's real estate melt down, lamco was in full motion of managing reo as an outsourced partner for some of the nation's largest lending institutions. In the early months of 1992 lamco was chosen as a critical vendor for a top ten lending institution and has fostered and maintained this relationship, representing more than 17 years to date.

VICKIE M. HAWKES - CHAIRMAN OF THE BOARD

vickie m. Hawkes is the chairwoman of littleton, colo. -based lenders asset management corporation (lamco), a full-service, nationwide default management company that offers comprehensive reo services. In this position, hawkes manages the company's procedures, structure and corporate planning; handles client, agent and vendor relationships and supervises the human resources department.

Hawkes has been a part of lamco since its inception in 1989 where she was instrumental in developing most of the company's business processes and procedures. She has previously served in a wide variety of roles at lamco throughout her tenure, including training of staff, managing human resources, handling the company's accounting and serving as the company's liaison with realtors and clients.

She serves as an active vice chairperson along with her husband frank w. Hawkes, the founder of lamco.

DIANE M. (SHELDON) CARDINAL - MEMBER OF THE BOARD OF DIRECTORS
Diane cardinal retired from u.s. bank national association as the vice president of the foreclosure asset management group reporting to retail collections after 36 years of service. Cardinal was responsible for the home equity foreclosures and the liquidation of the other real estate owned (reo) residential properties for the home equity and finance company portfolios. In 1998, cardinal had the vision to design an access database that supported the management of the home equity foreclosure process, monitor the senior lien holder's loan status, bankruptcy process along with the management of the reo portfolios from the point of entry to reo through the sale of the properties. Early in 2007 as the residential market was changing, cardinal evaluated the reo

liquidation process and implemented changes to keep the bank on the cutting edge to maintain the number of reo properties at a level less than of their peers. At all times focus was placed on maintaining the properties to conform with the individual neighborhoods, selling the properties at a fair market price while closing in a timely fashion.

Cardinal's career with u.s. bank started in 1973 in mortgage loan servicing. The mortgage portfolio included fha, va, private mortgage insured and conventional loans. All aspects of mortgage servicing was managed and reported to fannie mae, freddie mac, gnma mortgage backed securities, numerous number of private investors along with the bank's loan portfolio until 1984 when all mortgage servicing was transferred to the bank's mortgage company. From 1984 to 2000, cardinal was vice president in the bank's special assets group. Cardinal's team was responsible for workout of home equity loans and lines originated by retail banking, small business and private banking. Loan workouts included loan restructure, bankruptcy, foreclosure and reo liquidations. In 2001, with the acquisition of firstar and u.s. bank cardinal team reported to the bank's consumer lending group where she continued in her role as vice president in retail collections until her retirement in 2009.

DEBORAH T. TETZ - VICE PRESIDENT, OPERATIONS

Deborah tetz is vice president of operations, responsible for the strategic and operational leadership of lamco's reo asset management, compliance and risk mitigation divisions. Along with lamco's management team, tetz provides recommendations and implements organizational strategy for lamco.

Tetz joined lamco in 2009 with over 15 years of financial services experience. Prior to joining lamco, tetz was partner and operations manager for a national loan modification company providing services to homeowners experiencing mortgage difficulties. Previously, tetz held several positions during her 10 year tenure at merrill lynch/first franklin in san jose, calif., including loan account manager, production coordinator and operations manager.

Tetz holds a bachelor of science degree in management, with an emphasis in strategic and entrepreneurial management.

JUSTIN ANDERSON - SALES MANAGER
Justin joined lamco in 2009 where he was influential in the creation and development of the lamco network. As sales manager for lamco network, justin oversees the effective growth and development of lamco network and the sales team. His responsibilities include facilitating strategic planning and implementation of the lamco network sales team making one of the most sought after vendor databases today. Additionally, he oversees marketing, public relations and the affiliate program for lamco network.

Prior to joining lamco, justin worked for companies including merrill lynch, aig, and marlin business bank. Justin has an extensive background in sales, project management, professional development, and mortgage banking. Justin grew up in colorado springs, co and currently resides in castle rock, co. He attended the university of northern colorado and university of phoenix where he studied project management and event planning.

LAMCO

LENDERS ASSET MANAGEMENT CORPORATION

STEVE R. CERNY - ACCOUNTING MANAGER

steve cerny is the accounting manager. Cerny executes lamco's daily cash management and financial matters and leads the company's budgeting and forecasting initiatives. As accounting manager, cerny's responsibilities include performing accounts payable and accounts receivable functions, monitoring the budget throughout the year and promptly resolving discrepancies, and managing all computer and software systems related to billing and payment processes. In addition, cerny manages the billing department processes and provides leadership and guidance to employees.

Cerny brings more than 10 years of mortgage and financial industry experience and has been with lamco since 2002. Cerny began his career with lamco as a regional reo representative and later became vice president of the reo division. Prior to joining lamco, cerny held positions as a purchasing, inventory and warehouse manager and as a realtor.

Since its incorporation in 1978, lamco international insurance limited has been a provider of insurance products and services in mauritius.

Lamco today has seven sub-offices and several accredited agencies throughout the island of mauritius.

LAMCO
LENDERS ASSET MANAGEMENT CORPORATION

LAMCO
LENDERS ASSET MANAGEMENT CORPORATION

LAMCO – A LEADER IN REO ASSET MANAGEMENT

The current financial crisis is creating a huge body of residential properties falling into default and foreclosure. Government programs and regulations governing reo properties are changing daily, and new laws protecting the rights of renters have all placed increased risk on those entrusted with reo default management.

This is why lending institutions, servicers, investment firms and insurance entities are turning to lenders asset management corporation (lamco) to assist them in managing default and foreclosure activities.

Lamco is a full-service, nationwide default asset management outsourcing company, offering customizable and cost effective solutions to liquidate reo assets with mitigated risk. The company has more than two decades of experience helping liquidate more than $5 billion in residential assets for some of the largest financial institutions in the nation. Our unique reo liquidation management process is designed to enhance your ability to manage the reo disposition process with the highest level of quality, service and performance.

For a brighter tomorrow, put lamco on your team today!

REO DEFAULT ASSET MANAGEMENT OUTSOURCING SERVICES

Lamco provides reo default asset management outsourcing services for residential properties across the entire default – reo life cycle, from initial stages of foreclosure through liquidation. Lamco provides comprehensive management of the reo supply chain for individual properties or entire portfolios for some the nation's largest institutions as well as for smaller banks that lack the resources or expertise to efficiently execute the reo default process. We help our clients reduce their costs of default servicing and reo disposition, scale their operations, mitigate their risk and improve their reo liquidation efficiency.

Categories of default and REO services provided by LAMCO include:

- **Property evaluation**
- **Property preservation**
- **Property monitoring**
- **REO risk mitigation and compliance management**
- **REO marketing, sales and liquidation services**.

We work in a highly consultative manner, tailoring our services using our proprietary lamco reo liquidation management process^{sm} to provide each client solutions for their specific needs.

All default and reo services are executed using an experienced, nationwide network of reo realtors, attorneys, appraisers, contractors and service providers. Our resources evaluate, preserve, monitor and efficiently dispose of reo properties while mitigating risk for our clients. Lamco provides default asset management outsourcing services across all 50 states, including hawaii, alaska, guam, saipan and american samoa.

If you are a lending institution, servicer, investor, or mortgage insurer, lamco can save you time and money with your foreclosures.

REO RISK MITIGATION AND COMPLIANCE MANAGEMENT

Asset owners must make sure that they are in compliance with the ever-changing local and state regulations concerning foreclosed properties or face the risk of fines or possible litigation. Lamco's professional reo staff continually reviews and monitors state and local guidelines on default and reo properties including redemption and confirmation rights, removing this burden from our clients' personnel.

Lamco registers every vacant property and advises our clients on the liability and risk exposure created from the properties. We ensure all vendors and service providers are aware of any changing regulations and that properties are managed accordingly. Our team ensures your vacant properties conform to local and state guidelines on trash removal, types and quality of construction materials and condition of properties to minimize impact of regulatory actions. And we provide historical records on all default and reo actions so you have a comprehensive audit trail to protect your organization.

Lamco continually implements new services to meet the changing needs of the marketplace. As new laws have emerged to protect existing tenants, lamco has created a tenant management program to support the management of renters and the objectives of our clients.

REO MARKETING, SALES AND LIQUIDATION

Lamco provides creative solution-oriented reo marketing, sales and liquidation strategies for our clients that yield superior turn times and maximum return of capital. Our goal is to generate cash recovery for our clients as quickly as possible so that their capital investment can be returned to core investment activities.

We support a wide range of reo marketing programs, including traditional listings, short sales, auctions and bulk sales. Our reo asset management professionals manage every step of the sales process, including offer negotiations, closing coordination, disclosures and contract document packages for settlement. We provide complete administration of the closing process, including title curative and hud reviews, and electronically submit detailed closing files to appropriate parties.

In the end, lamco ensures the timely receipt and distribution of sale proceeds so that your organization can focus on your investment initiatives.

THE LAMCONETWORK

Default and reo asset management outsourcing services provided by lamco are executed using an experienced, nationwide network of reo realtors, appraisers, contractors and service providers. These resources evaluate, preserve, monitor and efficiently dispose of reo properties while mitigating risk for lamco's clients. Our national network of vendors is 22,000 strong and provides support across the continental united states, plus alaska, hawaii, guam, saipan and american samoa.

All of our service providers are carefully screened and are managed using a comprehensive vendor management system and scorecard. Lamco manages all of the activities within the reo default vendor supply chain, including payment of vendors, ensuring the costs to secure, maintain and liquidate your properties are as low as possible.

REO LIQUIDATION MANAGEMENT PROCESS

Our unique reo liquidation management process is designed to enhance your ability to manage the reo disposition process through lamco with the highest level of quality, service and performance. Lamco recognizes and clearly understands the importance of providing results that meet and exceed the demands of our clients, the current market and economic conditions.

We use our proprietary reo liquidation management process to assist clients in streamlining their default and reo processes and to provide a framework for managing the reo asset management outsourcing relationship.

The lamco reo liquidation management process represents the knowledge and expertise of executing more than 20 years of successful reo client operations. The reo liquidation management process encompasses all elements of the client–lamco reo asset management outsourcing relationship, including plans for client on-boarding and process integration, training, service delivery standards, account management, performance review, security and continuous improvement methods. Defining these activities is essential for the success of both parties, and executing the process ensures that lamco and the client are prepared and can scale operations quickly, which leads to outstanding performance and minimizes risk.

REO PROFESSIONALS

An reo asset management company is only as good as its people. Lamco's people and processes are what set the organization apart. Our company's recruiting, training and performance management and development programs allow lamco to tie employee performance to process expectations, client goals and service standards.

Lamco assigns a dedicated team of reo asset management professionals to each client's property portfolio. Each member of our team is familiar with all phases of the reo process. A typical team consists of:

- **Oversight manager** – responsible for oversight management and quality control
- **Operations manager** – responsible for client relations, performance and operational infrastructure
-
- **Reo supervisor** – provides a single point of contact for the reo portfolio, asset management questions and reporting
- **Asset managers** – manage the daily processing, coordination and management of client's reo assets
- **Team administrator** – provides reporting and administrative services

We take a proactive approach to employee development. Our managers review weekly activity reports to evaluate staff productivity and performance. They meet with each of their team members biweekly for one-on-one discussions on work performance and personal and professional goals. The results speak for themselves; we consistently deliver above our clients' expectations and requirements.

CLIENT ON-BOARDING PROCESS

Lamco's reo liquidation management process contains a proven client on-boarding methodology, a critical element for future success. Lamco develops a clear understanding of each client's requirements and expectations and adapts its outsourced reo services accordingly. Our client on-boarding process consists of the following steps:

ANALYZE

Each new client may have unique requirements that can create the need for changes to our existing processes. Lamco conducts a careful analysis of the scope of work to provide insight for team development, process adjustments and staff training.

DEFINE REQUIREMENTS

Defining expectations and requirements is the next step in the successful integration of a new client. Definition allows lamco to identify areas where the company may need to hire additional staff, make changes to processes or create enhancements to technology applications. During the definition phase, an integration team is created and tasked with the responsibility of successfully on-boarding new clients.

A

GLOBALCOUNTRYREPORT

ON

MTNL(MAURITIUS)

Submitted to

Oxford school of management

IN PARTIAL FULFILLMENT OF THE

REQUIREMENT OF THE AWARD FOR THE DEGREE OF

MASTER OF BUSINESS ASMINISTRATION

In

Gujarat Technological University

UNDER THE GUIDANCE OF

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(1) INTRODUCTION OF MTNL

MISSION OF MAHANAGAR TELEPHONE NIGAM LIMITED

“To provide in its area of operation, in a leading way, world classtelecom services which are demanded, keeping always the customer's delight as its aim, so that it continues to be the premier Indian Telecom Company".

HISTERY OF MTNL

The company started its operations by establishing Delhi telephone system with a manual exchange. Later in 1986 MTNL (Mahanagar Telephone Nigam) was established. In the same year it brought in digital exchange world technology for the first time in India.

MTNL, a state-owned telecom services company provides spectrum of products and services. It operates in the telecom circles of Mumbai and Delhi. The government of India holds 56.25% stake in MTNL.

Business Profile

MTNL provides fixed wireless telephone services, GSM and CDMA mobile services as well as internet services. The company provides GSM cellular mobile services under the brand name Dolphin; WLL and CDMA mobile services under the brand name Garuda; where as pre-paid GSM services are provided under the brand name Trump. MTNL also provides ADSL based broadband services under the brand TRI BAND, apart from pre-paid and post paid internet connections. The company also offers IPTV and VoIP services on its broadband network. MTNL started 3G services in India in December 2008 under the name of "MTNL 3G Jadoo" Services offered under 3G include Video call, Mobile TV and Mobile Broadband with high speed data connectivity up to 2 Mbit/s speed. As of Sep 09, the company had a customer base of 4.37 mn. MTNL reported a total income of Rs. 9.72 bn for the second quarter ended Sept 09. During the same period, MTNL had 558 digital exchanges with an equipped capacity of 10.72 mn lines.

MTNL rolled out its BlackBerry solutions on the 2G and 3G networks by launching India's first 3G enabled BlackBerry Bold smart phones.

Products:-

Telephone and Mobile
3G Mobile Service
Broadband and FTTH
Landline
Internet services
Milestones

Product Name	Year	Month	Sales Quantity	Sales Value (Rs.Million)	% of STO
Income from Telephone Services	2012	03	0.00	25936.19	0.00
Income from Mobile Services	2012	03	0.00	7223.81	0.00
Income from Other Services - Free Phone	2012	03	0.00	253.98	0.00
Other Operating Revenues - Surcharge On Delayed Payments	2012	03	0.00	158.81	0.00
Other Operating Revenues - Revenue From Enterprise Business	2012	03	0.00	92.47	0.00
Income from Other Services – Internet	2012	03	0.00	34.34	0.00
Income from Other Services – Miscellanous	2012	03	0.00	18.33	0.00
Income from Other Services - VOIP Services	2012	03	0.00	11.31	0.00
Income from Other Services - Premium Rate Services	2012	03	0.00	3.30	0.00

Subsidiary:-

Millennium Telecom (MTL)
MTNL STPI IT SERVICES LTD (MSITS)
Mahanagar Telephone Mauritius (MTML)
BSNL - MTNL Merger Plans
United Telecommunications Ltd. (UTL)
Outlook

ECONOMIC REFORM: -

Mauritius's economy suffered at the turn of the millennium as longstanding trade preferences in textiles and sugar -- the foundation of its growth strategy -- were phased out. In 2005, the government embarked on a bold economic reform program aimed at opening the economy, facilitating business, improving the investment climate, and mobilizing foreign direct investment and expertise. These reforms had considerable success in accelerating the rate of growth, reducing unemployment, and speeding up the pace of diversification of the economy through the development of new sectors.

SWOT Analysis of Mahanagar Telephone Nigam Limited(MTNL)

STRENGTHS-

1. MTNL is one of the NAVRATNA companies.
2. The company enjoys large consumer base in NEW DELHI.
3. Being a Govt. company , it enjoys a strong reliability among users.
4. High on cash.

WEAKNESSES-

1. Poor marketing
2. Slow on implementation
3. It does not provide good network.
4. Bureaucratic organizational structure

OPPORTUNITIES-

1. There is a strong growth in telecom industry.
2. It can provide value added services i.e., e-banking, e- reservation etc.
3. It can cover others metros (Bangalore and Kolkata) of India.

THREATS-

1. Private players in telecom industry.
2. Competitors regularly come up with new attractive call rates, tariff vouchers and value added services.
3. Competitors continuously improving their distribution channel.

(2) COMPARATIVE POSITION OF MTNL COMPANY IN INDIA

Compititor:-

Company	Sales (Rs.Million)	Current Price	Change (%)	P/E Ratio	Market Cap.(Rs.Million)	52-Week High/Low
Bharti Airtel	416038.00	291.80	-1.77	19.84	1108119.28	370/239
Idea Cellular	192753.18	113.20	4.14	49.75	375181.22	124/71
Reliance Comm	121350.00	55.20	8.02	16.98	113934.28	92/47
Tata Communications	40917.70	233.90	9.48	27.33	66661.50	266/191
Spice Comm	15804.77	56.75	0.00	0.00	39153.24	58/56
Hathway Cable & Data	5144.44	269.25	1.39	0.00	38549.38	306/150
Tata Teleservice(Mah	24702.50	7.90	4.77	0.00	14987.86	15/7
MTNL	33732.53	18.40	1.66	0.00	11592.00	45/18
GTL	15069.90	14.95	-0.66	0.00	2346.52	45/15
Dhanus Technology	535.23	0.21	5.00	0.00	119.91	4/0
ETL Infrastructure	149.64	3.27	0.00	10.48	65.40	3/3
Vital Communication	NA	0.69	0.00	0.00	26.20	1/1

Mahanagar Telephone Nigam Limited Competition in Mauritius

Mahanagar Telephone Nigam Limited (MTNL) can help you call a deli in Delhi, or mumble to a friend in Mumbai. The company provides fixed-line and wireless telecommunications services for two of the largest metropolitan areas of India. The company also provides Internet access services. It divides its operations into two business segments: basic (fixed-line, CDMA-based mobile, and Internet access) and cellular (GSM-based mobile). Outside of India, the company offers services in Nepal (through a joint venture) and Mauritius. The government of India owns 56% of the company. A planned merger with Bharat Sanchar Nigam Limited (BSNL), called off in 2010, was revived in 2011.

Top Competitors for Mahanagar Telephone Nigam Limited in mauritius

Vodafone Group Plc
Reliance Communications Ltd.
Tata Teleservices Limited

(3) POLICIES OF MAURITIUS FOR MTNL FOR PERMISSION

MTNL to offer telecom services in Mauritus

Mahanagar Telephone Nigam Ltd (MTNL) has bid for a license to offer fixed-line and international long-distance services in Mauritius. While MTNL has joint venture operations in Nepal and Malawi, this is the first time the company is going on its own outside the country. Besides MTNL, four other international operators have bid for the Mauritius project.

IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY

The Company continued its efforts to comply with statutory requirements in promoting the use of Hindi and has been able to achieve most of the annual targets set by the Govt for implementation and promotion of Hindi as Official Language in the Company.

IMPLEMENTATION OF RESERVATION POLICY FOR SC/ST/OBC & PH COMMUNITY

The Company has endeavored to fulfill all the statutory requirements with regard to implementation of reservation policy for candidate belonging to SC/ST/OBC communities and as well as Physically Challenged candidates.

WORKING CONDITIONS OF WOMEN EMPLOYEES

It is continuously striving towards gender sensitization amongst our employees. Special care has been taken in case of woman employees working in night shifts. Also to redress the issues of Sexual Harassment at workplace Special Cells have been constituted.

CORPORATE SOCIAL RESPONSIBILITY

For MTNL , no specific allotment is made under CSR head considering the financial results of the company for the year as per the Guidelines issued by the Department of Public Enterprises

TAXATION:-

Mauritius Prime Minister Navinchandra Ramgoolam said he had discussed the issue of DTAA with visiting President Pranab Mukherjee during delegation level talks held here today. “We spoke about the telecomunication Double Taxation Avoidance Agreement. We have already found some common ground to find a solution. MTNL is going to come to an end in April,” he said in the presence of President Mukherjee after attending a ceremony where several pacts on health, medicine, tourism were signed.

The India-Mauritius joint working group met in December and again in Augustto discuss concerns on the operation of the India-Mauritius Double Taxation Avoidance Convention (DTAC). Mauritius had also agreed with India on a Tax Information Exchange Agreement (TIEA), which incorporates provisions on assistance in the collection of taxes

(4) PRESENT TRADE BARRIERS OF TELECOMMUNICATION

1. MARKET RISKS

The Indian government is rapidly liberalizing the telecommunications industry in India. Many private operators are currently competing with us in the market for both basic and cellular services.

2. POLICY AND REGULATORY RISKS

The telecommunication sector in India is one of the most competitive sectors. The high level of license fee is a big strain on the finances of the company.

3. TECHNOLOGY RISK/QUALITY OF SERVICE

In the telecom sector which is driven by very stiff competition, fast changing technologies and falling prices of the telecom equipments, it is becoming increasingly difficult to predict / forecast the future. The investment today in a particular technology becomes outdated tomorrow with an introduction of more promising technology / services / Quality of services. To survive in the market, every operator has to move with the market forces and to adopt advance technologies/services.

4. OVERSTAFFING RISKS AND STAFF COST

MTNL has huge Legacy staff strength inherited from DoT. Presently MTNL has around 42254 working employees as compared to 62000 in the year1997-98.There has been some reduction in staff because of three VRS and natural attrition.

5. UNDERUTILIZATION OF ASSESTS RISKS

MTNL has plenty of landline capacity but its full utilization is difficult as the demand for landlines is decreasing constantly with the expansion of mobile networks. MTNL is working on the revenue sharing model which will help in utilizing the idle capacity.

6. NON UTILIZATION OF BWA SPECTRUM

MTNL has paid `4533 crore for BWA spectrum in July, 2010. Since the technology is still to reach maturity for utilizing BWA spectrum, MTNL adopted the route of enabling utilization of BWA spectrum through appointment of franchisees who would bring in capital investments, with the spectrum being contributed by MTNL.

7. REPAYMENT OF LOAN / INTEREST BURDEN

MTNL has paid an amount of `11,097 Crore to acquire 3G and BWA spectrum. Short term loans amounting to about `7000 crore were taken from banks while the remaining amount was paid by MTNL from its own resources.

8 PRESSURE ON THE MARGIN/REDUCTION IN TARRIF

MTNL faces intense competition from the other operators. This has led to an increased pressure on margins due to reducing tariffs.

9 OUTSTANDING DUES

The cumulative outstanding amount against landlines is quite large. As a percentage of total cumulatively bill revenue, this amount is less than 2% but the absolute figure is high. In a competitive environment, recovery of outstanding is even more difficult as even the risk of disconnection for non-payment does not work in the competitive environment as after losing MTNL's connections, the subscribers can always opt for other operators.

10 COMPLIANCE RISKS

MTNL is listed on the Stock Exchanges in India and in New York. It has to meet the requirement of Compliances to the various Clauses in the Listing Agreement.

11 MANPOWER RISKS

There are about 42075 employees of the Company and major portion of revenue is spent on staff. In comparison of the staff costs of other operators, it is substantially high.Besides wage bill,these cost also include payment of Pension, Gratuity, Leave Encashment to DOT employees absorbed in MTNL.

12 OTHER RISKS

There are various other types of risks like rising cost of operations due to various reasons including increase in power/fuel costs. Rentals for tower sites have gone up considerably. Moreover, availability of the tower sites itself is a big issue.

(5) POTENTIAL FOR MTNL IN INDIA

MTNL seeks govt help to increase revenues by Rs 10,000 cr.

State-run Mahanagar Telephone Nigam Ltd (MTNL) has drafted a plan to increase revenue by as much as Rs 10,000 crore this financial year, according to a presentation made by the company to communications minister Kapil Sibal —but around 85% of this will be revenue not directly linked to its business.

(6) BUSINESS OPPORTUNITY IN FUTURE :-

Future opportunity of mtnl

MTNL to team up for global play:-

NEW DELHI: They may be competitors in the domestic market, but, state-owned Mahanagar Telecom Nigam (MTNL) and Anil Ambani-owned Reliance Communications have finalised plans to jointly explore and launch international operations in other countries.This is also the first of its type agreement in the Indian telecom space, where a PSU and private firm are entering into an MoU to jointly scout for global opportunities.

KOLKATA: State-run MTNL is eying 51% stake in India's state-owned landline operator, TelOne, for an undisclosed sum, an executive directly aware of the development told ET.

IMTNL-Mauritius is working closely with the Information & Communication Technology Authority (ICTA) — the apex telecoms regulator in Mauritius — to hasten its Africa plans.

MTNL to list Mauritius arm soon

MUMBAI: State-run telecom operator MTNL is looking at listing its Mauritius arm, Mahanagar Telephone Mauritius Limited (MTML), in that country even as it plans to enter the African market, a top company official said.

(7) CONCLUSION ABOUT MTNL

- Telecommunication growth is good comparing with other countries.
- It is expected to be more enhanced in near future.
- In term of Communication power of Mauritius telephone user or Internet user is high.
- Comparing with India Internet user or telephone line is little beat low but population of India high to compare population of Mauritius. So, it is ok.
- Telecommunication service is growing up now a day and in near future it is very bright of Mauritius.
- Our opinion says, to start with telecommunication business or to tie up with existing Tele service Company in Mauritius will be profitable.

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STATE BANK OF MAURITIUS

A

GLOBAL / COUNTRY STUDY AND REPORT

ON

"State bank of Mauritius"

Submitted to
Oxford School of Management

IN PARTIAL FULFILLMENT OF THE
REQUIREMENT OF THE AWARD FOR THE DEGREE OF
MASTER OF BUSINESS ADMINISTRATION
In
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UNDER THE GUIDANCE OF
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STATE BANK OF MAURITIUS

1. Overview of SBM

SBM is the second-largest bank in Mauritius with a market share of about 25% of domestic banking assets. As of June 2011, its total asset valuation was approximately US$3.34 billion (MUR:95.7 billion), with shareholders' equity of about US$557.1 million (MUR:16 billion). SBM, together with its subsidiary businesses in Mauritius, Madagascar and India, is known as **SBM Group**. The stock of the group is listed on the Stock Exchange of Mauritius and is owned by nearly 17,000 domestic and International shareholders. SBM has more than 1,200 employees and services over 340,000 customers through its network of 48 service units and counters in Mauritius, India and Madagascar

State Bank of Mauritius

Type -	Public:SEM:**SBM**
Industry -	Finance and Insurance
Founded -	1973
Headquarters -	State Bank Tower 1, Queen Elizabeth II Avenue Port Louis, Mauritius
Products -	Banking
Revenue -	Aftertax:US$70+ million (MUR:2.0+ billion) (2011)
Total assets -	US$3.34 million (MUR:95.7 billion) (2011)
Subsidiaries -	SBM Securities Limited Banque SBM Madagascar SBM India SBM Financials Limited SBM Mauritius Asset Managers Limited SBM Global Investments Limited SBM IT Limited SBM Lease Limited SBM Investments Limited

STATE BANK OF MAURITIUS

State Bank of Mauritius (SBM) is a bank in Mauritius. It is licensed as a commercial bank by the Bank of Mauritius, the national banking regulator.

2. History of SBM

The government of Mauritius established State Bank of Mauritius in 1973 under the name State Commercial Bank. In 1994, SBM opened its first overseas branch in Mumbai, India. In 1995, the bank was listed on the Stock Exchange of Mauritius. Then in 1997 the South African bank Nedcor acquired 20.1% of SBM's voting equity. That same year SBM opened its second branch in India in Chennai, and the next year one in Hyderabad, India.Banque SBM Madagascar, a fully owned subsidiary of SBM, started banking operations in Madagascar in January 1998. The company operates from Antananarivo, the capital of Madagascar. The next year, SBM and Nedcor established SBM Nedcor International (SNI) as a 50/50 joint venture to engage in offshore banking, and SNI started operations in 2000.

2.1 Ownership

The stock of the bank is listed on the Stock Exchange of Mauritius (SEM), where it trades under the symbol: **SBM**.

2.2 Branches

It maintains 43 networked branches and 35 freestanding automated teller machines in Mauritius.

2.3 SBM group

The State Bank of Mauritius Group (SBM) is a leading financial services group in Mauritius with a growing international presence. It provides all services of a universal bank within a diversified business model. The lines of business include: Retail Banking, Small and Medium Enterprises, Wealth Management & Private Banking, Corporate Banking and International Banking & Global Business, Treasury services, eBusiness, Fiduciary services, Asset Financing, Stockbrocking and Asset Management.

2.4 Retail Banking, SMEs and Wealth Management & Private Banking

SBM is well entrenched in the domestic banking landscape with a diversified and loyal customer base, serviced through a large branch network by employees who are being made more responsive to evolving client needs. Besides a broad range of savings, investment and financing products, in both local and foreign currency, SBM offers a large portfolio of cards, designed to suit needs of specific customer segments.

2.5 Corporate Banking and International Banking & Global Business

The Corporate Banking and International Banking & Global Business Divisions of the Group, through their growing team of professionals, provide comprehensive financial solutions to their business customers across geographical borders and industrial portfolios. These include traditional banking products, transactional banking services, asset finance, commercial loan and working capital finance, structured finance, structured trade finance and project finance, in both local and foreign currencies.

2.6 E- Business

In line with its spirit of innovation, the Group has invested in state-of-the-art technology to place multiple, reliable and sophisticated electronic delivery channels at the service of its customers for convenient banking from anywhere on a 24/7 basis.

2.7 Risk Management

The Bank has a well-diversified credit portfolio, whether by segment or by industry group. International business expansion is also helping the Group to further spread the risk in its books.

2.8 Human Resources

The Group's people strategy is at the heart of its growth objectives. SBM employs more than 1,200 staff in Mauritius, India and Madagascar. These employees are core to the organization in providing quality service to customers, thus generating sustainable business and building the brand.

2.9 International Recognition & Ratings

SBM continues to be recognised, both in Mauritius and internationally, for superior achievements.

3. Strategy of SBM

3.1 Vision

To be the leading provider of premier integrated financial services in the region through a dedicated and competent professional team.

3.2 Goal

To continuously improve and innovate the Group's lines of business and achieve strong and sustained returns for the shareholders. SBM aims to achieve its goals by continuously enhancing customer service, competencies, delivery channels and operating efficiency as well as maintaining a balanced, acceptable and quality risk profile while effectively managing its balance sheet.

3.3 Mission

Value creation for all stakeholders by achieving consistent improvement in returns and continued enhancement in service levels.

3.4 Values

- Commitment to service excellence
- Ethics
- Fairness
- Integrity
- Performance driven
- Recognition
- Team spirit

3.5 Equality & Diversity

Equality translates the Group's recognition of the close interlink between all economic agents, in whatever role they may be, and of the importance to ensure that people are treated justly and given fair chances. In addition to our internal policies which promote equality at all levels, the Group's Corporate Social Responsibility programmer is aimed at improving opportunities and participation within the community at large.

3.6 Complaints Handling Policy

This Complaint Handling Policy aims to:

- provide a framework for SBM employees when handling Complaints from Customers
- ensure consistency within SBM in handling and resolving complaints from Customers
- help SBM in identifying shortcomings in products / processes and service related issues
- understand the root cause of complaints and, based thereon, review the delivery standards, update the training program and implement deterrent and disciplinary measures
- For the efficient acknowledgement and processing of complaints, SBM has established, and will continue to develop, quality processes that comply with local regulatory requirements and applicable codes of conduct in areas where it operates.

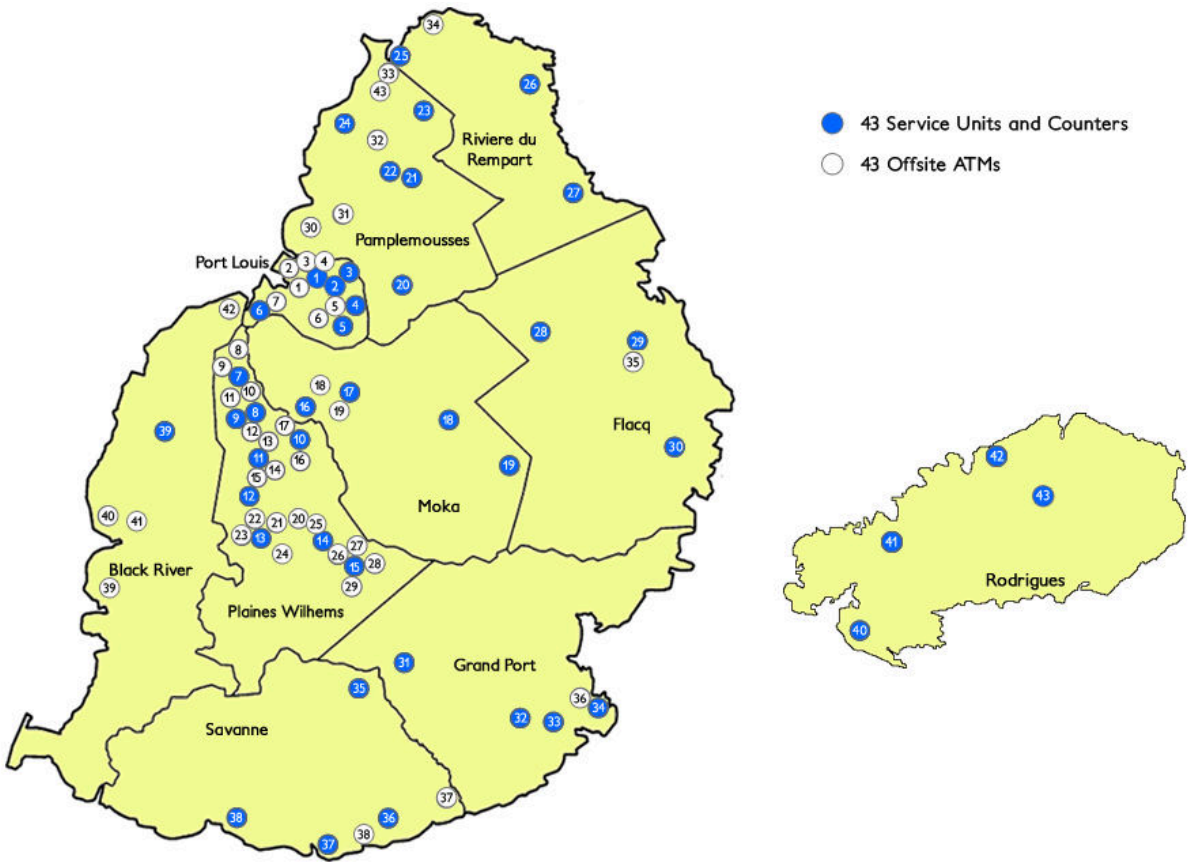
4. Careers

- Innovation is encouraged and employees feel challenged to get out of their comfort zone
- Thinking out of the box and analytical thinking are encouraged
- People do not hesitate to share their knowledge and expertise
- Our key values include Commitment to Service Excellence; Ethics; Integrity; Fairness; Performance driven; Recognition and Team Spirit
- Work - Life balance
- SBM provides unique sports and leisure facilities to all its employees and their family members at SBM Park.

5. CSR

- All poor children of pre primary school-going age attend school, Our Areas of Intervention
- We are convinced that education is a means to empower children and adults alike to become active participants in the transformation of their societies. Education is the essential path to get out of poverty.
- Hence, our CSR initiatives are targeted to those who are deprived, and we support projects with an educational and empowerment dimension in various fields.
- These can be micro-projects supported at service unit level, or national/regional medium-long term projects.
- In accordance with the CSR Guidelines, we do not support any project from individuals

6. SBM Location in map



7. Personal Banking

7.1 Loans

- Personal Loan
- SBM Boost - your multi-purpose loan
- SBM Ecoloan

7.2 Account

- Amigos
- Foreign Currency - Long Term Deposit
- Savings Account - Way of saving for the future
- SBM Super Savings
- e-banking
- SBMNET - For Borderless Banking

7.3 card of SBM

Credit card

- Visa Platinum - A world of exclusive privileges
- Visa & MasterCard Gold - An improved world of opportunities and privilege

Debit Card

7.4 SBM products and services

- SME Business Basics
- Financial Leasing
- Business credit cards
- Payment services
- Merchant services
- Trade services (Import and Export)
- SBM ecommerce Acquiring Services
- SBM Point of Sale (POS) Acquiring Services

8 Corporate, International and Investment Banking

- Structured Finance
- Asset Finance
- Global Business
- Financial Institutions

The Financial Institutions (FI) is responsible for relationships with banking and non-banking financial institutions in Mauritius and abroad. FI uses a large network of correspondent banks with a strategic focus on international payment operations and the financing of foreign trade.

Overall, FI assists in providing Liquidity Solutions, Clearing & Payment Solutions, Trade Solutions and Cheque / Cash Letter Solutions.

FI also leverages on its excellent relationship with banks abroad to participate in Cross Border Syndicated Loans / Club deals and also in Secondary Market transactions.

9. Doing Business in Mauritius

- Mauritius in Figures (2011)

Capital	Port Louis
Population	1,286,051 consisting of people of Indian, Chinese, European and African origin
Workforce	536,700
Main Language	English (official language) and French
GDP	MUR 285 billion
GDP Growth rate	3.50 %
GDP breakdown	Agriculture, forestry and fishing 3.6% Manufacturing 16.9% Construction 6.6% Wholesale and retail trade 10.9% Real Estate Activities 5.5% Accommodation and food service activities 7.1% Financial and insurance activities 10.1% Others 39.3%
Export Partners	UK (20.3%), France (14.1%), US (10.7%), Italy (8.3%), South Africa (8.0%)
Import Partners	India (23.5%), China (14.1%), France (8.9%), South Africa (7.1%), Spain (3.0%)

- 10 Reasons to do business in Mauritius
- Corporate and income tax of 15%
- Tax free dividends
- No capital gains tax
- Up to 100% foreign ownership
- Exemption from customs duty on equipment
- Free repatriation of profits, dividends and capital
- No minimum foreign capital required
- 50% annual allowance on declining balance for the purchase of electronic and computer equipment
- Double Tax Avoidance Agreements with 34 countries.

- Business operating costs remain affordable compared to other emerging business centres of the world.

➢ 10 good reasons to invest in Mauritius

- Social and political stability
- A strong and diversified economy
- An educated and bilingual workforce
- A pool of skilled and qualified professionals
- A business friendly environment
- Preferential access to international markets
- A modern and reliable infrastructure
- A comprehensive and forward looking legal framework
- A growing international business and financial hub
- A safe and enjoyable place to work and live

10 Wealth Management & Private Banking

➢ Investment Products - Proposed strategies to make more of wealth. Wealth Management & Private Banking division has been designed to meet the various specific needs of our elite group of customers.

➢ Financial Planning- Financial Planning is a disciplined and structured process that gauges your financial status, personal requirements and goals with a holistic perspective.

➢ Investment Advisory Services- For their own investment decisions, they may gain direct access to the investment research, analysis and advice of their investment experts.

➢ Dedicated Service