

# Samsung's colossal challenge

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

DEWANGSHU DATTA  
New Delhi, 27 October

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

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



## Great leaps forward

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

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

►1965-75: Intel creates the microprocessor, aka the computer "chip" (1969). Laser optics technology takes off. The first cellphone is demonstrated by Motorola (1973). The US agency, DARPA, funds the project that leads to the internet.

►1975-90: Personal computing arrives. Microsoft and Apple become household names. The VCR, Walkman and CDs are launched. Videogames take off.

►1990-2005: The internet takes off after the creation of HTML, enabling e-commerce, online trading, search and search-linked advertising etcetera. Facebook launches (2004). Korean chaebols LG and Samsung become big players. China and Taiwan start contract manufacturing.

►2005-2020: The iPhone is launched (2007). The smartphone era begins. Chinese brands like Xiaomi and Huawei enter the arena. Social media explodes. Drones fly. The Internet of Things (IoT) leads to electronics being embedded in houses, cars, vacuum cleaners and sports equipment.

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

A potted history would go as follows. Starting in the 1980s, scientists and engineers in labs made important discoveries. The two world wars and the Cold War led to huge research acceleration and multiple new technologies were developed, and



Lee Kun-hee, who died last week

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

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

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

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

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

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

# Food focus keeps PepsiCo going, but Coke struggles

SURAJEET DAS GUPTA  
New Delhi, 27 October

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

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

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

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

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

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

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

normalised much faster to pre-pandemic levels than beverages.

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

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

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

The strategy reduced revenues but improved margins profitability. Its normalised profit after tax went up by 58 per cent in FY20 over the previous year but driven by revenues went down from 16,200 to 15,264 crore in the same period.

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

"We are committed to doubling our snacks business in India by 2025. In fact, we have increased our investment in our greenfield snack plant in Uttar Pradesh from 4500 crore to 4844 crore. We have additionally proposed to set up a green-

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

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

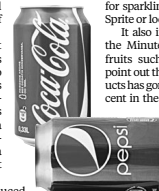
So why is Coke doing poorly? Clearly one big move has been the push towards juice volumes and using more Indian fruits even for sparkling beverages, such as limes in Sprite or lemons in Fanta.

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

Coke has also brought in imported products like the fizzy drink Rani Fanta. It is also rationalising its bottling businesses. Its share of the company's own-grown bottling capacity has gone down from 66 per cent of volumes to 54 per cent.

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

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



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

**M4**  
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**NOTICE**  
Notice is hereby given in compliance with Regulation 47 read with Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, that a meeting of the Board of Directors of Mutnoot Finance Limited (the "Company") is scheduled to be held on Tuesday, the 03<sup>rd</sup> day of November, 2020, at 11:00 AM at the registered office of the Company, inter-alia, to consider and approve the unaudited financial results of the Company for the quarter and half year ended September 30, 2020.

This information is also available on the website of SEBI Limited (www.sebi.com) and National Stock Exchange of India Limited (www.nseindia.com) where the Securities of the Company are listed and shall also be available on the website of the Company at www.mutnootfinance.com.

For Mutnoot Finance Limited  
Sd/-  
Rajesh A  
Company Secretary  
Date: 27.10.2020  
Place: Emakulam

**MCX**  
**METAL & ENERGY**  
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Sr. No.	Name of the Members	Member ID	SEBI Reg. No.	Timeline for Receiving Claims/Complaints
1.	Indo Thai Commodities Private Limited	12640	INZ000092338	60 Days
2.	Share India Commodity Brokers Private Limited	16005	INZ0000359395	60 Days
3.	Eureka Commodity Brokerage Private Limited	10740	INZ000047901	60 Days
4.	Marfatta Commodities Private Limited	31330	INZ000061236	60 Days
5.	Sushil Global Commodities Private Limited	12240	INZ000025633	60 Days
6.	M J Financial	31800	INZ000085113	15 Days

Any client(s)/constituent(s) of the above referred Members, having any claim/dispute/complaint against these Members, arising out of the transactions executed on MCX platform, may lodge their claim within the timelines as provided in the above table, failing which, it shall be deemed that no claim exist against the above referred Members or such claim, if any, shall be deemed to have been waived. The complaints so lodged will be dealt with in accordance with the Bye-Laws, Rules and Business Rules of the Exchange.

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For Multi Commodity Exchange of India Ltd.  
Sd/-  
Authorized Signatory - Membership Department

**CENTURYPLY®**  
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E-mail: inv-estors@centuryply.com  
Website: www.centuryply.com

**NOTICE**  
NOTICE is hereby given that a meeting of the Board of Directors of the Company will be held at Registered Office of the Company at P-151, Taratala Road, Kolkata - 700 088 on Tuesday, 10th November 2020 at 12:30 P.M., inter alia, to consider and approve the unaudited Financial Results of the Company for the quarter and half year ended 30th September, 2020.

For Century Plyboards (India) Ltd.  
Sundeep Jhunjhunwala  
Date: 27.10.2020  
Company Secretary

**ADITYA BIRLA FASHION AND RETAIL LIMITED**  
CIN: L262001997PLC1300  
Reg. Office: 10th Floor, Aditya Birla Fashion & Retail Limited, 4th Cross, 4th Stage, Bannerghatta Road, Bengaluru - 560075  
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**NOTICE**  
Pursuant to Regulation 47 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, notice is hereby given that a meeting of the Board of Directors of the Company will be held on Friday, 15<sup>th</sup> October, 2020, to inter alia, consider the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2020.

This information is also available on the Company's website at [www.adityabirlafashion.com](http://www.adityabirlafashion.com) and on the Stock Exchange websites at [www.bombay.com](http://www.bombay.com) and [www.nseindia.com](http://www.nseindia.com).

By Order of the Board of Directors  
For Aditya Birla Fashion and Retail Limited  
Sd/-  
Geetika Anand  
Company Secretary  
Date: 27.10.2020  
Place: New Delhi  
Date: 27.10.2020  
Medium Rewinding Lines (Qty-3 Nos)

# India up, close and personal with Hollywood

India remains a Hollywood crazy nation, finds a study that data and market measurement firm Nielsen for 8thX. The study, "Hollywood Is For Everyone", covered a sample of 1,500-plus movie buffs across eight metros and non-metros, including Mumbai, Delhi, Chennai, Bengaluru, Pune, Ahmedabad, Lucknow and Indore.

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

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

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

A sizeable 82 per cent also felt that TV viewing came closest to the big-screen experience amid the lockdown.

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



**WINDOW TO THE WORLD**  
(Movie buffs' take on Hollywood)

- 90% 'Unites a worldwide community of fans'
- 85% 'Enhances proficiency in the English language'
- 78% 'Encourages to follow a Hollywood-size lifestyle'
- 90% 'Offers exposure to international cultures'
- 86% 'Inspires the drive to try new things'

**LARGER-THAN-LIFE IMPACT**  
(How the movies are perceived)

- 91% are progressive
- 86% inspire big dreams
- 87% influence fashion choices
- 80% infuse a go-getter attitude

**WE SEE, WE BUY, WE PROMOTE**

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

**70% viewers watch Hollywood hits on TV available in multiple dubbed formats including Hindi and other regional languages**  
(Cohorts considered: Bollywood/regional admirers)

Source: Zee English Cluster-Office.  
Project title: study done in association with Nielsen

**MOVIE VIEWING ON TV WITH FAMILY**

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

**SCREEN SIZE MATTERS**

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

**'GLOCAL' SHOWS**

70% viewers watch Hollywood hits on TV available in multiple dubbed formats including Hindi and other regional languages (Cohorts considered: Bollywood/regional admirers)

Source: Zee English Cluster-Office.  
Project title: study done in association with Nielsen

# CABLE MANUFACTURING MACHINES FOR SALE

- Copper Rod Breakdown Machine with Spooler-Robertson, UK make, Input 6mm, Output 1.4mm to 3.8mm (Qty-1 No)
- Intermediate Copper Drawing Machine with Spooler-Robertson, UK make, Input 1.4 to 1.8, Output 0.67 to 0.8mm (Qty-1 No)
- Fine Copper drawing machine, Robertson/GKW, Input 1.4 mm and Output 0.2 to 0.67 mm (Qty-3 Nos)
- 19 Bobbin Trefiler U.K make, Planetary laying up coil stranding machine, two cages with capstan take up along with accessories (Qty-1 No)
- 7 bobbin High Speed Tubular Stranding coil Laying up machine, BEMA, Germany make along with capstan take up unit (Qty-1 No)
- 60 Twp Annealing unit for copper wires with Furnace, Steel type, BEMA, Germany make (Qty-1 No)
- Vacuum Annealing Unit with Base and Bell type Furnace and Overhead crane (Qty-1 No)
- Die type Tinning unit with tinning bath, having sophisticated Tin and reeling units Fine and Medium Tinning (Qty-5 Nos)
- 7 Bobbin Small Tubular Stranding machine, high speed with take up-20 inch Bobbin (Qty-4 Nos)
- 10 Bobbin Strandline 350 mm, high speed with take up, 20 inch Bobbin (Qty-1 No)
- Painting Machine, 20 inch spool size (Qty-1 No)
- Bunching Machine for Fine Wires 500mm take up (Qty-3 Nos)
- 65 MM. HEV Line for Rubber, Steam Vibration, with Dual Take up, S.S Pipes etc., IKA make (Qty-1 No)
- Horizontal Taping machine (Qty-3 Nos)
- Large Vertical Stranding machine with take up (Qty-5 Nos)
- Barburey, U.K make Rubber Mixer with Straine Extruder WITH COMPLETE STEEL PLATFORM (Qty-1 No)
- 3/4 Core Laying up machine with Caterpillar and 2.5 mt take up (Qty-1 No)
- 18-6 Core Laying up machine with Caterpillar and 2mt take up (Qty-1 No)
- 48 Bobbin, 36 Bobbin, 72 Bobbin and 64 Bobbin Armoring Lines, with Capstan and Take up (Qty-4 Nos)
- 22 Bobbin, 36 Bobbin and 61 Bobbin, Rigid Stranding Lines for conductors with hosts (Qty-3 Nos)
- Aluminum Rod Break down machine, Bulb block dry lubricant type, 10 mm Input Rods and Output Minimum 1.7 mm, with spooler (Qty-1 No)
- 13 Die, Wet side type Aluminum Rod Breakdown machine with spooler (Qty-1 No)
- 7 Bobbin Promane, High Speed Tubular Stranding for Wires with Capstan and 1.5 mt Take up (Qty-1 No)
- 7 Bobbin Promane, High Speed Tubular Core Laying up machine with 1.6 mt Take up (Qty-1 No)
- Heavy rewinding Lines (Qty-1 No)
- Medium Rewinding Lines (Qty-3 Nos)
- 4.5 inch PVC Insulating / Sheathing Line with Take up and tray (Qty-1 mt with an aluminium 2.5 mt. Complete with accessories (Qty-1 No)
- Big Die Spool Siles for PVC compound Strand 1.5 mt diameter and 6.5 mt length (Qty-1 No)
- R.C 100 make. PVC Mastic Bath Extruder with accessories (Qty-4 Nos)
- 300 Caterpillar Pulling Tower 1500 Kg and 3000 Kgs respectively (Qty-1 No)
- High Speed Lapping Machine with take up, 8, 9, 10, 2 mt (Qty-1 Lot)
- Various Sizes of Steel Bobbins and Steel drums (Qty-1 Lot)
- Rubber Spreading Machine for Rubber impregnation on Cotton Cloth (Qty-1 No)
- Great Hoisting Machine (Qty-1 No)
- 48 inch Milling Mill (Qty-3 Nos)
- 16 inch Winding Mill (Qty-1 No)
- 4 C.A.S of different AFR-1000 KVA (Qty-1 No) and SKW3000 KVA (Qty-1 No), Transformers 6 KVA, 420, KVA, of Crumpton make (Qty-3 Nos) and of GEC make (Qty-1 Lot)
- 4 KVA of different AFR-1000 KVA (Qty-1 No) and SKW3000 KVA (Qty-1 No), Transformers 6 KVA, 420, KVA, of Crumpton make (Qty-3 Nos) and of GEC make (Qty-1 Lot)
- Water Pumps of different sizes (Qty-1 No)
- Air Compressor - Reciprocating Type (Qty-1 No)
- 5 M. Lead Furnace with Lead Alloy grade (Qty-1 No)
- Aluminum and Alloy Alloy Rod Mill complete with Furnace - Steel Pulling Bell Capstan and Die Rolling drawing Machine with Double Capstan. Also 10 rollers, Capacity 80 to 1000 MT per month approx (Qty-1 No)
- 45 mm. PVC Insulating Line complete for Building Wires (Qty-1 No)
- 25 inch. PVC Insulating Line complete for Building Wires (Qty-1 No)
- Kilburn make Furnace with Lead Alloy grade for forming PLS or PVC Compounds, Capacity 500 Kgs. The furnace has fans to maintain the temperature (Qty-1 No)
- 15 KW, Spark Testrigs, units (Qty-7 Nos)
- 432 KVA, H.V. Testing transformer, 415 V, LV. SIDE 2500 VOLT on HV side (Qty-1 No)

Offers are invited from genuine parties for above items available at Baura, Howrah on as is where is basis.  
Please mail to: [saikat@fortindia.com](mailto:saikat@fortindia.com)  
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