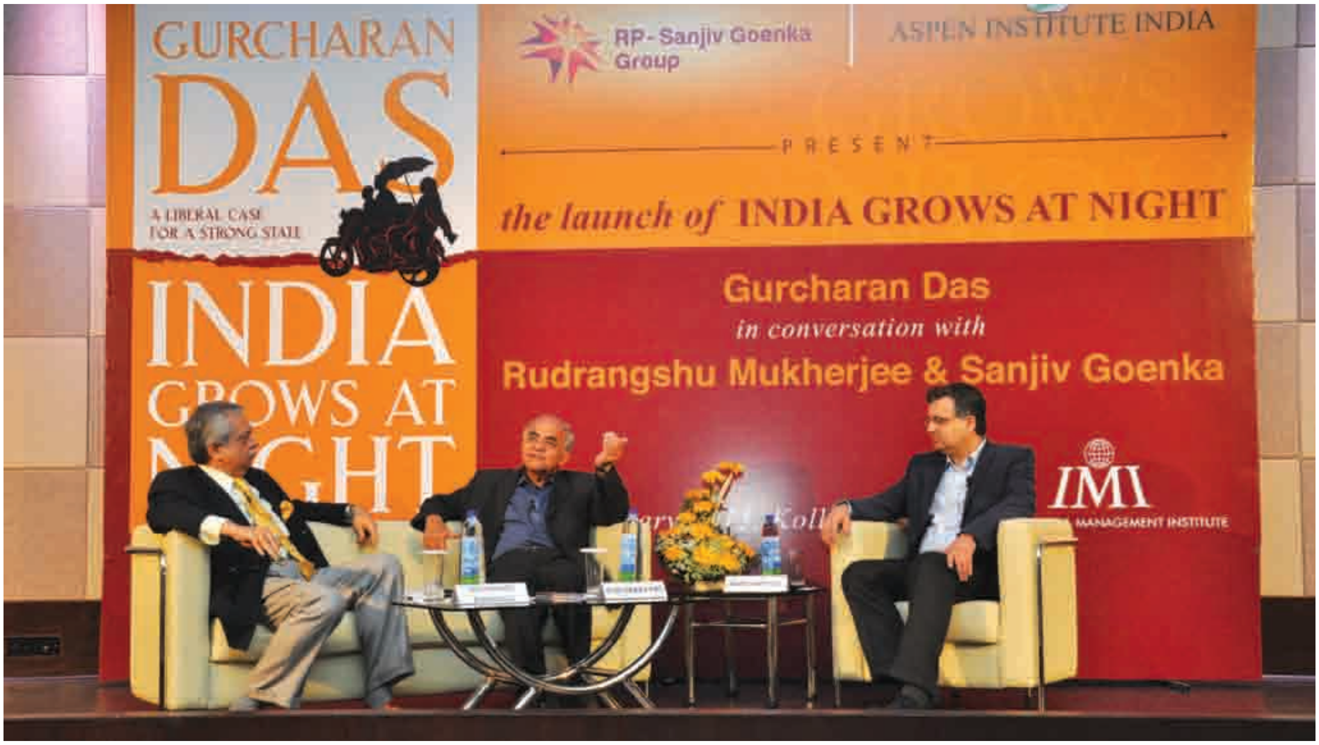
February, 2013

IMI Konnect

A Strong State can Emerge with Pro-Market Reforms



Mr. Gurcharan Das was in conversation with Dr. Rudrangshu Mukherjee, Opinions Editor of Editorial pages of *The Telegraph*, at IMI-Kolkata on February 2, 2013. Mr. Mohit Kampani, CEO of Spencer's Ltd. Retail presided. The occasion was 'Kolkata-launch' of Gurcharan Das's new book *India Grows at Night*.

By a strong state I do not mean a Maoist China or Stalin's Russia or Hitler's Germany. Certainly these were not liberal states. A better alternative for the term 'strong state' could have been 'effective state' in this context. But the 'strong state' was a word that was used by the eighteenth century thinkers who did the first thinking on modern state in the Enlightenment period. This thinking actually created the first modern liberal state, the United States of America. The words were also used by thinkers like Jefferson, Hamilton and so on in Federalist papers. The notion was that a liberal state has three pillars. One of the three pillars is executive. In fact the reason for the existence of the state is its ability to act. So it should be capable of quick, determined, decisive action when required. The second pillar is that the action must be bounded by the rule of law and the third pillar is that the action should be accountable to the people.

It is not surprising that India after independence became a democracy. India today is rising from below unlike China which is a top-down success. India is a bottom-up success. And that's what gives rise to this phrase "India Grows at Night".

We have a need for institution builders, who will do the difficult job of reform of the police, judiciary and bureaucracy. That's how you create a strong state. A strong state doesn't tolerate corruption.

Early nineteenth century England was very corrupt. You could buy a seat in Parliament; you could buy any job in the government. But the English threw up the kind of political leaders who did the reforms and you had the reforms acts.

(Contd. to page 5)

Should SEBI go for Stringent Norms for Buyback?

By Dr. Chanchal Chatterjee

Companies go for share buyback with a variety of motives like returning surplus cash to shareholders, enhancing earnings per share, increasing promoters' voting right, warding off takeover threats, injecting buoyancy into stock prices in a poor state of secondary market etc. India recognized the need for share buyback system in late 1998. Indian buyback regulatory framework is presumed to be very much stringent compared to the developed nations like US, UK Canada etc. Nevertheless, the existing Indian buyback regulatory framework leaves enough space for corporates to misuse this practice.

The market regulator SEBI has recently proposed to tighten the share buy-back norms for listed firms in the backdrop of widespread misuse in the recent past. Sometimes companies repurchase their shares in order to give a positive signal to the market about their confidence on future potential and sound financial health mainly in a poor state of secondary market. Unlike US or UK, share buyback is not that much frequent in India. But recent past the trend is upward rising.

SEBI has proposed to make it mandatory for companies to buy-back at least 50% of the offer announced by them (currently 25%). It has been observed that many companies did not repurchase a single share even after getting shareholders' approval. Reliance Industries Ltd. SRF Polymers, Deepak Fertilizers, and Sirpur Paper Mills are the examples of such companies. This raises doubt among the investors about the intension and sincerity of the company's management announcing buyback. It is also evident that actual buyback price, in most of the cases, was significantly lower than the price announced. The reason is in case of Open Market method of buyback only maximum price is announced. No minimum support price is required to be announced as per the prevailing buyback norms in India. Naturally, the disclosure of the number and the price of the shares to be repurchased are subject to the discretion of the top management of the company. This system lacks transparency and leaves much scope for price manipulation. From the perspective of common shareholders, the announcement of only maximum price is of no importance. It is noteworthy that in comparison to Open Market system of buyback, Tender Offer method is absolutely clear, perfect and transparent. Under the Tender Offer method, a company commits itself to repurchase a definite number of shares at a fixed price. SEBI has rightly proposed to make it compulsory for companies to follow tender offer route if buy-back size is 15% or more of its paid up capital plus free reserves. The wide difference between the maximum announced price and actual average price paid and also large difference between number of shares proposed for buyback vis-à-vis actual number of shares bought back can be understood from the following table:

Share Repurchase of Companies

	No. of Shares			Price	
Company	**Announced for BB**		**Actually repurchased**	**Max announced (Rs)**	**Actual Avg. (Rs)**
	Maximum	Minimum			
Allied Digital Services Ltd.	20,00,000	5,00,000	597075	140	54.21
Amrutanjan HC Ltd.	800000	141500	170000	450	374.3
Deccan Chronicles Hol Ltd	3,45,00,000	1,00,00,000	3,45,00,000	180	65.79
DLF Ltd	22000000	5500000	76 38,567	600	184.19
Eon Electric ltd	17,84,162	4,50,000	17,84,162	130	64.75
FDC Ltd	37,04,000	9,26,000	3358102	135	96.82
Godrej Industries Ltd	57,00,000	20,00,000	21,33,710	275	135.28
Kilburn Engg Ltd	11,00,000	5,00,000	240032	40	26.58
Manaksia Ltd	4000000	1000000	4000000	200	100.35
Provogue India Ltd	50,00,000	20,00,000	20,49,610	100	60.47
PVR	27,15,000	5,62,000	1388328	140	113.92
Sasken Comm Tech Ltd	2755000	6,88,750	2162000	260	159.26
Surana Tel & Power Ltd	18,00,000	12,00,000	18,00,000	50	24.69

(Source: Author's compilation from buyback offer documents from SEBI www.sebi.gov.in).

There ain't No Such Thing as Free Lunch

By Dr. Surendra Poddar

Little knowledge is a dangerous thing – this adage is nowhere more apt than in stock market investing. Investors are always in the quest for the Holy Grail (undervalued stocks). From the local broker, to an animated discussion at the pan shop led by a just passed Finance MBA, to the more somber looking Chartered Accountant, to the ever boisterous anchors at business channels, everyone is eager to chip in with their mantra of stock picking. However, of late, what has changed is that they don't offer tips (that's passé), instead they offer stock picking strategies and use jargon to impress the gullible investor. Value investing is the new buzzword and names of Benjamin Graham and Warren Buffett (most even can't pronounce Buffet correctly) are rattled to impress investors. One of the popular strategies advocated is investing in stocks having low price to earnings ratio (PE) and low price to book value ratio (PB). They argue that companies having low PB ratio and low PE are cheap (undervalued) and hence would give higher future returns.

In this article, we explore, whether this strategy really works in the Indian equity market? We also look at the theoretical underpinnings of this strategy.

To test this strategy we chose S&P 500 Index; removed the financial companies and companies which had negative EPS for the year calendar 2011. We were left with 389 companies. We constructed four portfolios at the end of calendar year 2011. (*Source of data, CMIE Prowess*)

Portfolio construction: Companies were arranged on the basis of their PE ratio. Top quartile companies comprised Portfolio 1 (labeled HPE) and bottom quartile companies comprised Portfolio 2 (labeled LPE). There were 37 companies each in both the portfolios.

Similarly, we constructed two portfolios (portfolio 3 and portfolio 4) to evaluate the efficacy of Low PB strategy, labeled HPB and LPB. These portfolios were formed on the basis of their PB ratio. Portfolio labeled HPB had stocks in the top quartile of PBV ratio and portfolio labeled LPB had stocks in the bottom quartile of PBV ratio.

The price weighted portfolio returns of all four portfolios (HPE, LPE, HPB, and LPB) were calculated for the periods: 1 month, 3 months, 6 months and 12 months, after portfolio formation date. Price weighted portfolio return of S&P 500 (excluding financial companies and companies with negative earnings) is also presented to serve as a passive benchmark.

Results are presented in the following table.

Portfolio Returns

	Low PE	High PE	Low PB	High PB	S&P 500 (price weighted excluding financials)
1 month	1.21%	1.97%	2.69%	1.28%	1.73%
3 month	4.91%	5.88%	7.45%	3.94%	4.92%
6 month	6.80%	9.05%	10.12%	6.88%	7.11%
12 month	9.96%	12.30%	13.45%	8.99%	10.50%

Findings:

1. Low PE strategy delivered lower returns than high PE strategy for all the periods (contrary to expectations). Infact, it had lower returns than S&P 500. Low PE stocks are not always undervalued. Theoretically, also PE of a stock is related to its risk and growth. Low PE ratio may be as a result of higher risk and low growth prospects. Hence a simplistic strategy of choosing low PE stocks without taking into account its risk and growth is suicidal. The right strategy would be to choose low PE stocks from a subset of stocks having similar risk and growth (expected to have similar PE ratios).
2. Low PB strategy has delivered higher returns than high PB strategy for all the test periods. This is in accordance with value strategy that low PB stocks are undervalued and hence should perform better. One possible explanation could be that low PB ratio is a proxy of risk (Fama and French) and the higher returns of low PB portfolio may be a compensation of higher risk rather than an anomaly. Can we conclude that low PB is a good metric of undervaluation? It would be naïve to draw such conclusion. PB ratio, (like PE ratio) in isolation, provides little information on valuation. The right strategy would be to choose low PB stocks from a subset of stocks having similar return on equity (ROE).

To conclude, value investing as a stock picking strategy is not a simple strategy of buying low PE and low PBV stocks. It entails understanding determinants of PE ratios and PBV ratios. Relative valuation is a double edged sword, incorrect use of this extremely potent valuation tool by naïve investors can lead to financial loss. One final advice to the common investor: "There ain't no such thing as a free lunch". "You have to earn it", as the Cadbury Bournville advertisement rightly puts it.

Sustaining Net Interest Margins Even with Rate Cuts

Mr. Deepak Narang
Executive Director, UBI

Mr. Narang spoke to IMI Konnect on RBI's recent directives on rate revisions; bank NPAs, UBI's new strategies in the eastern region and the future of investments.

On RBI's directives

It is true, in the Third Quarter Review 2012-13, RBI has reduced Repo Rate by 25 bps (i.e. reduced from 8.00% to 7.75%). Similarly, Bank Rate, Reverse Repo Rate, Marginal Standing Facility Rates have also been adjusted - i.e. cut by 25 bps. These benefits are supposed to be passed on to the customers.

But RBI has also cut 25 bps on cash reserve ratio (CRR) from 4.25% to 4.00%. This will enhance liquidity for the banks to make it up even by lending at lower rates. Banks sooner or later will be reducing base rate. Banks will also have to increase revenues through better recovery, plugging slippages in asset quality and by good monitoring. Deposits rates are not likely to come down; in fact efforts will be taken to increase business volumes considerably. Loss of revenue through rate cuts can be made up by volumes. Hopefully NIM is expected to remain unaffected.

On NPA

We have declared a war on the recovery front. More than human interventions, we are migrating into technological 'alert' processes in a big way. These SMSs make us take immediate action against the deteriorating assets. If an EMI is not received, there is an instant alert. These technological innovations in the bank have revealed that in many cases, NPAs generally happen because of lack of proper follow up. For borrowings with exposure more than rupees five crores, interventions from the highest levels of the bank have been introduced.

The gaps in the monitoring process are being removed. The information system is being fine-tuned to develop a foolproof system. No interference in the recovery process is being tolerated in any form. The banks have been now empowered by the securitization act not only to attach properties but also to buy it for own use. It can be sold subsequently to recover the money.

On the Eastern Region

UBI is the lead bank in West Bengal and Tripura, with 80% of its branches in West Bengal alone. Admittedly, it's a disadvantage – from the credit absorption point of view – and as a risk management policy, it is being thought that instead of concentrating in one particular region, the bank is exploring new growth centres. UBI will set up regional offices in Gujarat and Rajasthan and explore possibilities in Delhi, Chennai, Hyderabad and Mumbai.

However, UBI is also consolidating its business in the east. The 29 rural districts under the CBT (cash benefit transfer) scheme will have the benefits of 'one ATM one branch'. Financial literacy centres are being run by the retired officials of the bank. Twenty five vocational training units are being run for entrepreneurs. Due to extensive rural presence the CASA for UBI (40%) is satisfactory, being designated as the 'Bank of the East'. The credit-deposit rate is also expected to go up to 65% by March end.

UBI is into lending in a big way in steel, tea, cold storages and MSME sectors – the industries of the east. Its involvement into agriculture and food processing is on the rise with increasing involvement with the government and district administration. In West Bengal, under the Chief Minister's directive, the banks have agreed to finance at least 10 bankable projects in each district. One district – Hooghly – has already submitted ten projects which the banks are actively considering.

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Gurcharan Das (Contd. from page 1)

Then you had Disraeli and Gladstone and all who pushed these reforms forward. In this century Margaret Thatcher, you may not agree with her ideology, but she made the government of UK far more accountable than it was. So democracies can throw it up. But we are compressing history. In England it took 150 years to do that. We are trying to compress history just like growth. It took over 150 years for industrial revolution to take place. There was an average of 3% growth rate. We have to go ahead fast. We have to go back to 8% growth rate very quickly and we have hit a wall right now. It's partly due to failure of governance that we have hit a wall. More than economic reforms today we need reforms of governance.

Reforms

Why do people believe that economic reform is about rich getting richer? The reason is that nobody has explained. This is the great failure of our reformers that they have not explained the difference between pro-market and pro-business. Pro-market means you stand for a rule-based capitalism. You stand for competition which lowers your cost and raises the quality and helps everybody in the society including the poor. Being pro-business is really about allowing discretion in the hands of politicians and bureaucrats which existed in the unreformed sector of our society like mining, real estate. That leads to cloning. That's how people get the impression that liberalization is all about cloning. But it is not.

In India, reforms happened not just because of Manmohan Singh but because of the support, very quiet but determined support, which Narasimha Rao gave him. But there was something else also happening at that time. This may explain why a weak state behaved like a strong state. The Principal Secretary of the Prime Minister was a man called Amarnath Verma. He was a very senior bureaucrat and he was convinced of the need for reforms. He, with the name of the Prime Minister, created a committee with 11 secretaries of the economic ministries in Delhi. They used to meet every Thursday for one hour from 10-11 am. This one hour meeting every Thursday went on for two years. Idea of the meeting was that each ministry had to propose one reform at this meeting. The format of the meeting was that for the first 10 minutes the Secretary presented the reform and the others then debated that reform for next 40 minutes and in the last 10 minutes Verma summarized the sense of the meeting. Then he sat down and in the next 5 minutes wrote down the minutes of the meeting himself in the form of three-four line paragraphs. He took it immediately to the Prime Minister, got his signature, and took it to the Cabinet at 5 o' clock. Every Thursday there used to be a Cabinet meeting. By 7 o' clock there is a press note ready. And on Friday morning when you read the newspaper you have a reform. It was really amazing.

Growth Rate & Poverty

Why have we been paralyzed by this weakness which has brought down our growth rate from 8% to 5.5 %? One percentage point is 1.5 million direct jobs and 4.5 million indirect jobs. We have dropped 3 percentage points!

It cannot be ignored that the drop in the growth rate is a combination of both the global economic slowdown and weak governance. But India is a country which is still driven by domestic economy and by consumption rather than production. We have suffered more from high interest rate. Our saving rate is still above 30 but our investment rate has fallen. In an interview with Financial Times, Ratan Tata very anguishly said, "You ask me why we are investing so much abroad. In my own country I have been waiting for 8 long years for a permission to start a steel plant. What do I do? Keep waiting?" This is part of the problem of weak state.

Suresh Tendulkar used to say that despite absolute poverty, for last 25 years since 1985, when Rajiv Gandhi came in, 1% of the poor population has been crossing the poverty line every year. Now if you accumulate that you have about 250 million people who have crossed the poverty line in this time. Not as much as China. China has 400 million people who have crossed the poverty line. That's the difference of 2% growth rate. It is true that the number of poor is still a quarter of India, but our overall population at the same time has grown. The model of growth that we had before 1985 or before 1991 was a model of growth that didn't do very much for the poor either. So the fact is that for the first 30 years of our republic we did not make a dent on poverty despite Garibi Hatao and all such things that we had. What bothers people like you and me is that inequality has grown. Now Simon Kuznets famously explained that when growth begins in any society the inequality increases. But if you measure over 30-40 year period then the lowest 20% grow at the same rate as the whole economy. Exception to this has been the United States, where actually this has not happened since early 70. But by and large if you take other countries which went through this transformation, Japan, Korea, Taiwan and now China, it can be observed that while inequalities do increase, in the end what is important is that the poor rise above the poverty line. So we have to be patient. We should focus on growth. Growth is the best tonic for poverty.

India vs China

The mistake we make when we think of India and China is that we think of a race and simplistically we think who will become rich faster. Chinese are 10 years ahead. Frankly, both countries will turn into middle-income countries. If we can get back to our 8% growth, which I think we will despite the governance, you'll get to $5000-6000 per capita income by 2030. China will be about $12000 per capita income. But both the Indians and the Chinese believe that their destiny is to have per capita income of $40000, which is the US per capita income. That's not going to happen. Because, if China fixes its politics first before India fixes its governance, China will win. What is likely is none will fix their problems and both will get stuck in the middle income trap.

Innovative Marketing: Winning over Doomsdays

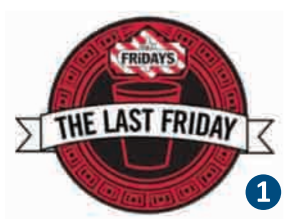
By Dr. Rituparna Basu

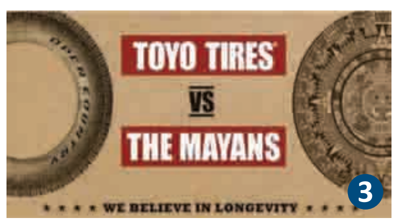
Innovation is smart and it is not necessarily technology. In business, innovation is about providing a solution to an important organizational and/ or customer problem. An appreciation of the difference between creativity and innovation clearly establishes that creativity is not innovation. Creativity as a process and ability to generate new ideas is potentially significant to organizational viability. It is rather the first step to innovation where we turn an idea into a sustainable solution to face the reality of market challenges. Where businesses are constantly engaged in simultaneous cultivation of markets and customers, innovation drives marketing that in turn contribute towards innovation.

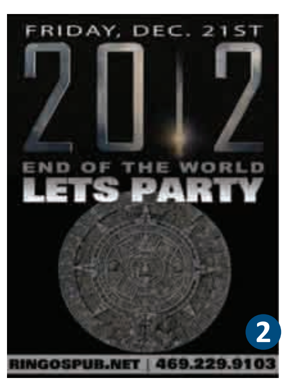
A marketing innovation is the implementation of a new marketing method involving significant changes in product design or packaging, product placement, product promotion or pricing. It is aimed at better addressing customer needs, opening up new markets, or newly positioning a firm's product on the market with the objective of maximizing sales.

Popularly, marketing activities and innovation are linked to the development of product innovation. Yet, the introduction and practice of marketing innovation that is not strictly conditional on product innovation is equally intriguing. The **product oriented marketing innovation** entails significant changes in the design of an existing product as opposed to changes in its functional characteristics as for a pure product innovation. **Process oriented marketing innovation** is aimed at increasing sales volume or maximizing market share contrary to regular process innovations focused on decreasing costs or maximizing efficiency and quality. Innovations around marketing mix are fruits of R & D activities within the marketing system. This could be of two types (1) marketing innovations that revolutionize part of the marketing system and (2) marketing innovations that redefines market with existing product in a new combination.

A bunch of fascinating examples of contemporary marketing innovation could be drawn from the recent occurrence of brands and companies capitalizing on the buzz around something as grim as the Mayan apocalypse. While the world was debating over the probable significance of the doomsday prophecy, the Mexican tourism officials started marketing around the apocalypse from late 2011, giving a whole new meaning to visit a rather popular tourist destination known for its beaches. Marketing innovations over a fairly widespread concern were rampantly used by advertisers, marketers and entrepreneurs to find, expand or reinstate their respective position in the consumer mindscape. Advertising company Wieden & Kennedy, Portland went old-school for Old Spice's "Believe in Your Smell" campaign to reinforce the brand's offbeat style by launching an online game called "4 and ½ weeks to save the world" starring NBA star Dikembe Mutombo. Toyo Tires, an American manufacturing company of Japanese origin known for its innovative technology started a very non technological apocalypse campaign from its San Diego based shop Vitro. While the Toyos funnily promised free tires for the post apocalypse world, they also integrated the campaign over social networking platforms to give out prizes for people who like their ideas around the doomsday prophecy. Sourcebits Studio, a Bangalore (India) based global startup specializing in mobile, web and cloud development with its high focus on design launched 'Apocalypse Max' around the mid- 2012. The app made it to the coveted top 200 list even in a highly crowded market with its sheer innovative appeal. Apocalypse survival kits, end-of-days themed vacation packages, restaurant menus at TGI Friday's, ultimate final indulgence inspired promotions at many leading Breweries, helicopter rides over architectural rides around El Salvador, Mexico and Honduras brought business bucks. 44% rise in Expedia's hotel bookings around 21.12.12, 7.5% increase in Cancun hotel bookings were all achieved through thoughtful and opportunistic innovative marketing tactics.







1 TGIF used the coincidental Friday prophecy to its innovative marketing credit

2 Popular Ringospub used the Mayan apocalypse prophecy for an innovative promotion idea to break the monotony for its frequent guests

3 Toyo Tires went innovative to reaffirm its brand image of longevity/trust to bet the Mayans wrong

Thus, in an era, when critics prophesy the death of marketing and challenge it for being too myopic, marketing innovation gives it a new lease of life. Cross fertilization and combination of marketing concept with ideas of innovative strategies is the key to remain sustainably competitive in this century and win over all doomsdays. Hence, long live the king customer! Long live marketing innovation!

Research

Monthly Seminar Series at IMI Delhi

Dr. Paramita Mukherjee presented the paper "What Drives the Stock Market Return in India? An Exploration with Dynamic Factor Model" (jointly with Malabika Roy) on January 21, 2013 at IMI Delhi as the first talk of their Monthly Seminar Series, which is part of Excellence in Research Initiative at IMI Delhi. The seminar was attended by faculty members and research scholars from IMI Delhi as well as from outside. Dr. Mukherjee talked about the role of various financial variables in determining the stock market return in India in the recent past, with a special emphasis on the role of institutional investors like foreign institutional investors and domestic mutual funds. A lot of interest was created and academic discussion took place on various aspects of the topic.

Lecture Series

Finance Lecture Series at IIM Calcutta, Kolkata

Dr. Paramita Mukherjee, Dr. Surendra Poddar, Dr. Sweta Dixit and Dr. Boudhayan Ganguly have attended the lecture on "Risk, Regulation and Statistics" delivered by Prof. Paul Embrechts of Swiss Federal Institute of Technology, Zurich as part of Finance Lecture Series held on January 17, 2013 at Indian Institute of Management Calcutta, Kolkata. The lecture focused on the review of the so-called Basel regulatory framework in order to explain where statistical methods enter into the calculation of risk capital for the trading book of a bank. The speaker then discussed high-quantile tracking of financial time series. A review of several methodologies was given, with a lot of examples and Prof. Embrechts then provided a brief overview of a new method that he introduced. The method is based on a Bayesian approach for regime switching models combined with Extreme Value Theory.

Guest Lecture Series at NIT Shilchar

Dr. Nandita Mishra delivered a talk on "Responding to Globalization – Management Perspective" at NIT Shilchar on January 20, 2013. She enumerated on the following topics:

Part I: A Global Overview

- The role of international economic forums and organizations
- Structural shift in the world economy
- Integration and operational velocity of financial markets
- Diffusion of competition-based technology and information system
- Competitiveness based on supply chain
- Building an agile corporation

Part II: The Managerial Dimension of Globalization

- Competence in team work
- Interpersonal effectiveness
- Multi- disciplinary attitude
- Cohesive but mobile career
- Inductive thinking
- Process driven approach

She concluded that globalization is not about selling in each region but it is distinguished by capabilities and the concept of global localization.

Effective Vigilance

From January 7 to 9, 2013 IMI-Kolkata conducted a management development programme on "Effective Vigilance". Mr. K.S. Ramasubban, State Vigilance Commissioner, inaugurated the programme. The other dignitaries present were Mr. Debashis Sarkar, CVO of Allahabad Bank, Ms. Arundhati Ghosh, CVO Balmer Lawrie, Mr. Sukamal Chandra Basu, Former CMD Bank of Baroda, Mr. Sujit Ghosh, DG and Joint Director CBI and Ms. Arundhati Bhattacharya, MD SBI Caps.

The two-day long programme covered most contemporary topics of vigilance.

Participants were mostly from UCO Bank, UBI, Corporation Bank, Allahabad Bank, Bank of Baroda, PNB, Punjab and Sindh Bank, and Canara Bank. Participants from companies like Andrew Yule, Balmer Lawrie, Bridge & Roof, Power Grid Corporation, Geological Survey of India, Kolkata Port Trust and, Tata Steel also joined.

Programme Director: Dr. Sarojakhya Chatterjee

Resource Persons: Mr. S.K. Basu (Former CMD Bank of Maharastra & CVO Bank of Baroda), Mr. Sujit Kumar Ghosh (Former DG (HG) & JD (CBI), Mr. Debashis Sarkar (CVO Allahabad Bank), Ms. Arundhati Ghosh (CVO Balmer Lawrie), Dr. Sarojakhya Chatterjee (Professor Finance, IMI-Kolkata), Mr. A. Dasgupta (Head Vigilance Tata Steel), Mr. Arijit Chakrabarty (CFA).

Building & Leading High Performance Team

IMI-Kolkata initiated an in-company programme for Garden Reach Shipbuilding and Engineers on January 14 and 15, 2013. Sessions on topics pertaining to leadership, strategy, finance, change management, negotiating skills, conflict resolution and, most importantly, role efficacy were conducted.

Programme Director: Dr. Nandita Mishra

Resource Persons: Dr. Chanchal Chatterjee, Dr. Devjani Chatterjee, Dr. Paramita Mukherjee, Dr. Rachana Chattopadhyay, Dr. Tirthankar Nag.

Mid-Segment Credit Management

A four-day long programme for UBI bankers took place from January 14 to 17, 2013. The sessions covered topics like credit risk, marketing of credit, term loan, forensic financial analytics related to balance sheet, MSME restructuring.

Programme Director: Dr. Sarojakhya Chatterjee

Resource Persons: Mr. Abhijit Roy (Management Consultant, New Delhi), Mr. D.D. Mukherjee (Sr. Faculty JNIBF, Hyderabad), Mr. Arijit Chakrabarti (CFA).

Finance for Non-Finance Professionals in Energy Sector

Senior Operations Executives and Finance Executives from leading organizations like CESC, ONGC and HPCL attended a three-day long programme spanning over January 28, 29, 30, 2013 at IMI-Kolkata campus. The aim of the programme was to acquaint the participants with the concepts like financial statement analysis, working capital management, etc. The programme was highly rated by the participants.

Programme Director: Dr. Paramita Mukherjee

Resource Persons: Dr. Ahindra Chakrabarti, Dr. Nandita Mishra, Dr. Tirthankar Nag, Dr. Sarojakhya Chatterjee, Dr. S. K. Chaudhuri.

Workshop

Corporate Governance: Emerging Issues

The Centre for Corporate Governance at IMI-Kolkata organized a workshop on "Corporate Governance: Emerging Issues" on January 16 and 17, 2013 for senior management executives. Dr. Bhaskar Chatterjee IAS., Director General and CEO, Indian Institute of Corporate Affairs inaugurated the workshop. The programme focused on understanding the application, effective implementation of corporate governance mechanisms and emerging trends in the corporate sector.

The participants joined from leading organizations like CESC, Spencer's Retail Ltd., Andrew Yule, Central Coalfields Ltd., Western Coalfields Ltd., Paharpur Cooling Towers Ltd., Rashtriya Chemical and Fertilizers Ltd.

Programme Director: Dr. Tirthankar Nag

Resource Persons: Mr. Alok Perti, IAS (Former Secretary, Ministry of Coal, GoI), Mr. Asok Kumar Sinha (Former Director (Finance) Coal India Ltd.), Dr. Bhaskar Chatterjee, IAS, Mr. D.C. Garg (CMD, Western Coalfields Ltd.), Mr. Kaushik Mukherjee (Company Secretary, PCBL), Mr. S. Behl (Director Finance, Western Coalfields Ltd.), Mr. V.C. Agrawal (President Corporate HR, RP-SG Group).

Forthcoming Events

MDP

Developing Wealth Creating Mindset for Sr. Executives of CESC Ltd.

Date: February 22-23, 2013

Programme Director: Dr. Rachana Chattopadhyay

Industry Visit

Final year PGDM students who have electives in CRM, along with Dr. Mohua Banerjee, met Mr. Debashis Roy, VP-IT, on January 29, 2013 to learn about "IVRS-based Computerised CRM system for CESC" – an initiative that won Mr. Debashis Roy the CIO of the Year Award at the International CIO's Conference, held in Dublin in August 2010. The purpose of this visit was to study the organization's motivation for the transition to customer centricity, systems and processes that were put in place, role of IT infrastructure as an enabler to the initiative, process automation design for addressing customer grievances and prompt service recovery, and the major mind-set change in the organization that was required for undertaking this shift. Students thereafter visited the CRM Call Centre of CESC Ltd. to familiarize themselves with real-time IVRS procedures that contribute to cultivating customer-connect as well as faster and improved services.

Guest Lectures

Prof. Suman Basu Roy and **Prof. Ruby K Powell**, Professor and Associate Professor respectively, Division of Marketing and Supply Chain Management, Price College of Business, University of Oklahoma delivered lectures on "Emerging Issues in Retail Marketing" on January 9, 2013.

Mr. Subhendu Bhattacharjee, AVP Sales & Marketing Operations, Vodafone Ltd. delegated a lecture on "CRM Practices in Telecom Sector" on February 2, 2013.

Mr. Dipesh Shah, Unit Head, Westside Tata Retail Ltd., Mani Square spoke on "CRM Practices in Retail Sector" on February 5, 2013.

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