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Newsmakers

Those who hit the headlines in 2006 (most of them for the right reasons).

Woman Power

Indian hearts filled with pride as **Indra Krishnamurthy Nooyi**, 49, was appointed to take over from Steve Reinemund as Chief Executive Officer of PepsiCo, the world's fourth-largest food and beverages company in the US. Nooyi, a 12-year veteran at PepsiCo and alum of the Indian Institute of Management (Calcutta), became the first Indian—as well as the first woman—to move into the corner-room at the company.



But that's not the only feather in the Chennai-born executive's cap. In 2006, Nooyi had the double distinction of being named as Fortune's #1 Most Powerful Woman in Business as well as making it to Forbes' power women listing, coming in at #4. Nooyi joined PepsiCo after stints at Motorola and ABB and made a mark a couple of years back when she played a key role in PepsiCo's Tricon spin-off and a merger with Quaker Foods.



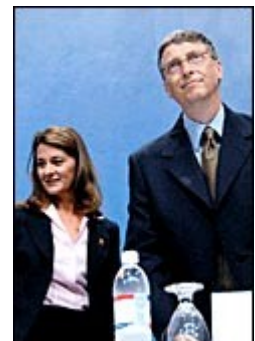
Retail's Newest Czar

It promises to be Indian retail's biggest battle. When **Sunil Mittal**, 49, announced his tie-up with Wal-Mart, the world's largest retailer (sales: \$312-billion or Rs 14-lakh crore), it signalled the beginning of what could be a face-off to watch. The 50:50 joint venture between Mittal's Bharti Group and Wal-Mart will launch a fully-integrated retail network, with a pan-Indian chain of stores in various formats that will be powered by a robust supply chain, logistics and wholesale business. That will pit the Bharti-Wal-Mart combine

directly against Mukesh Ambani's Reliance Industries, which recently flagged off an equally ambitious retail venture that aims to do something similar. Already, Reliance has proposed investing Rs 25,000 crore in retailing, an amount that Mittal and Wal-Mart may match. So, are we going to see a battle of equals? Watch out for it in 2007.

The Art of Giving

Warren Buffett may have made history when he gave away 85 per cent of his \$44-billion fortune, most of it to the Bill and Melinda Gates Foundation, but it is **Mr. and Mrs. Gates** who want to make a difference in India. In October, 2006, their foundation announced that it would be investing \$23 million over the next three years to support the government of India's HIV prevention drive. This is in addition to the \$58 million committed to Avahan, the Gates Foundation's India AIDS initiative, a five-year, \$258-million HIV prevention programme. The latest commitment from the Gates' will be used by Avahan to support training of NACO (National AIDS



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Control Organisation) and State AIDS Control Societies (SACS) staff to enhance their skills in project and financial management. On the technical side, Avahan will also enhance interventions with high-risk groups. The funds will be deployed between 2007 and 2009 and NACO and Avahan will jointly devise the implementation strategy.

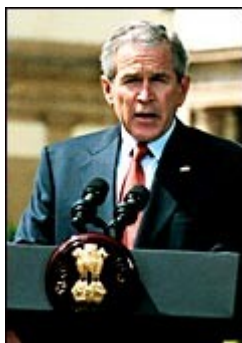


Back in the Chair

What do former chairmen of India's largest FMCG company do after they retire? Well, some of them again become chairmen of other multinational companies. In August, the Omnicom Group, one of the world's three biggest advertising and marketing companies, appointed **Keki Dadiseth**, 55, former chairman of Hindustan Lever (HLL), as non-executive chairman of its Indian operations. A distinguished Unilever veteran, Dadiseth, besides serving as the chairman of HLL, has been a director at its Anglo-Dutch parent company and is currently on the boards of numerous Indian companies. He is also an International Adviser to Goldman Sachs and a trustee of the Ratan Tata Trust. Readers will remember Dadiseth's tenure at HLL when the FMCG giant blazed a scorching trail of growth through mergers and acquisitions. No wonder, the ex-Leverite is now working closely with Omnicom's Asia Pacific CEO Michael Birkin on the group's strategy for India, which may well include (you guessed it!) takeovers.

Mixed Fortunes

When HSBC decided to expand its investment banking presence in India, it needed a seasoned hand to lead the charge. Not surprisingly, it chose **Naina Lal Kidwai**. The first Indian woman to graduate from Harvard Business School, in 1982, Kidwai, 49, has established herself as one of India's best bankers: a shrewd negotiator with a talent for quickly spotting emerging growth sectors. But along with her appointment as CEO, HSBC India, came a controversy. The RBI vehemently protested her new role while still serving on the global board of Nestle, citing Section 10 of the Banking Regulation Act, which explicitly states that no head of a bank (whether executive chairman or managing director) can be on the board of any company other than a not-for-profit company or a banking subsidiary. Needless to say, Kidwai was forced to resign from Nestle.



The (N-) Dealmaker

US president **George W. Bush** and India's Prime Minister Manmohan Singh didn't lose time last March when the prez came calling to New Delhi. Even as the flashbulbs popped, the two leaders hammered out what became a historic nuclear deal, despite the initial hiccups. The US President told Singh, who had made a departure from protocol to receive him at Delhi's airport, that he never engaged in negotiations. Still, Bush asserted: "I want this deal," according to the details of the tough, tortuous and down-to-

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the-wire negotiations that preceded the nuclear agreement a day later. Then, after months of speculation on whether the US Congress would back the pact, came the final green signal in December.

Hindi-Chini bhai bhai?

China's president **Hu Jintao**'s visit to India in November marked an important milestone in bilateral relations between the two neighbours. Meetings between the two sides stressed the need to develop a mutual willingness to keep long-standing irritants aside and move things forward. This was clear from Hu's "five-point proposal" for developing Sino-Indian relations. The five points seek to increase political trust, business cooperation, cultural and social exchanges, and multilateral cooperation on the one hand, and address boundary disputes on the other. The outcome: a more optimistic future for relations between the two countries and a greater convergence of their respective interests.



Advisor at Large

In November 2006, the world of corporate management was pleasantly surprised when the board of directors of the Goldman Sachs Group, Inc. announced the appointment of former McKinsey & Co. Managing Director **Rajat Kumar Gupta**, 58, as an independent director, to serve on the Audit, Compensation, and Corporate Governance and Nomination Committees of the Board. The Goldman Sachs board now has 13 directors, of whom 10 are independent. In addition to his responsibilities at the investment bank, Gupta is also

the United Nations Secretary-General's special advisor on un management reform, and is the Chairman of the Board of the Indian School of Business as well as one of the associates of the Harvard Business School.

An Early Take-off?

Kudos to him for kick-starting efforts to create world-class airports. But Union Civil Aviation Minister **Praful Patel** must also take the dubious credit for creating the first major policy fissure within the new ruling coalition. Patel announced on February 2, 2006, that he was lowering the cap for foreign direct investment in airport projects to 49 per cent from the 74 per cent prescribed by the previous government. Not only did that irk the Left parties, but Patel also had to contend with something he hadn't bargained for-displeasure from the Congress Party. Reason: he hadn't taken the Cabinet's approval before making the announcement.



Oil's Well Now

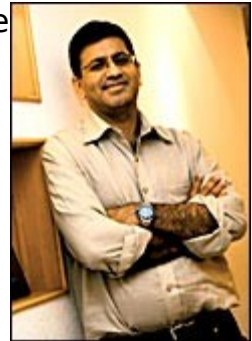
Ever since Essar oil finally commenced production at its 10.5-million tonne petroleum refinery at Vadinar, Gujarat, Director **Prashant Ruia** cannot help but feel relieved. The project had been held up for years thanks to the group's financial woes, triggered by a downturn

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in the steel industry, where the Ruias have large interests, and huge borrowings made in the mid-1990s at hefty interest rates. Those days are well and truly over, and the Ruias now have plenty to look forward to. "The important thing is that the project is stable. By 2007-08, we are targeting a turnover of Rs 20,000-25,000 crore with gross refining margins of \$6-8 per barrel," says Ruia with a smile.

I-Banker to Entrepreneur

For **Munesh Khanna**, 2006 was a bit of a whirlwind. For starters, he changed jobs twice. In January, he joined Enam Financial Consultants only to quit eight months later. He then moved to DSP Merrill Lynch as head of investment banking, where he spent just about five months when the "entrepreneurial bug" bit him. So, after a 21-year stint as an investment banker (besides Enam and Merrill, he's had long stints with Arthur Andersen and N.M. Rothschild), Khanna is setting up his own venture-an advisory-cum-financing consultancy that will be in the business of "turnarounds" and "turn-ups". The former would involve acquiring distressed assets and turning them around, while the latter would involve helping entrepreneurs not just with funds but with adequate management bandwidth. "I will be putting my money where my mouth is," says the banker-turned-entrepreneur, who also finds time for Sahas, an NGO that helps the cause of India's forgotten sportsmen.



Corner-room Creative

The decks were finally cleared for creative whiz kid **Prasoon Joshi**, 35, to take over as executive Chairman, in charge of McCann Erickson's India operations. Joshi will report to the agency's Area Director (Asia Pacific), Sorab Mistry. This followed the sudden decision by Santosh Desai, president and COO, McCann Erickson, and one of India's best-known strategic planners, to quit the agency after a decade-long stint. With the departure of his one-time partner, Joshi, who is widely credited with having turned McCann Erickson into a creative powerhouse, will now serve at its helm in India, straddling storyboards as well as spreadsheets in his new role.