

# Indian regulator piles pressure on Sahara to sell overseas hotels

REUTERS, Mumbai

The Securities and Exchange Board of India (SEBI) has accused Sahara of deliberately failing to sell its marquee overseas hotels in New York and London, seen as crucial to it complying with an order to repay investors and secure the release of jailed head Subrata Roy.

Roy, one of India's best-known business tycoons, has been held in a Delhi jail for nearly eight months over the conglomerate's failure to refund billions of dollars the group raised in outlawed bonds.

The Supreme Court has asked Sahara to pay 100 billion rupees (\$1.6 billion) initially to secure bail for Roy, a flamboyant businessman who has often been photographed with senior politicians, professional cricketers and Bollywood movie stars.

The SEBI says that the total amount Sahara owes to investors is about 470 billion rupees and has petitioned the country's top court to order the company to reveal details of offers it received for the sale or mortgage of its hotels, according to court documents seen by Reuters.

Sahara did not reply immediately to requests for comment. Roy was sent back to a regular jail cell this month after spending two months in a makeshift prison office fitted with computers and phones to enable him to conduct negotiations with prospective buyers for Sahara's three hotels, including the Plaza in New York and Grosvenor House in London.

In its petition to the Supreme Court, the SEBI said it had been informed by various individuals and entities that Sahara was refusing to



Bicycles are parked near the Plaza Hotel in the Manhattan borough of New York.

entertain bids for the hotels despite several such offers.

The regulator cited emails from purported representatives of companies including New York-based Madison Capital and Texas-based World Class Capital Group (WCCG), including letters of intent to acquire the Sahara hotels.

An official from Madison Capital declined comment and WCCG Chief Executive Nate Paul did not respond immediately to an emailed request for comment.

The SEBI said that the emails from the prospective bidders gave rise to the belief that Sahara may be "wilfully and deliberately" failing to take adequate steps to sell or mortgage the hotels despite Roy being granted office facilities in prison to facilitate the process.

"The above e-mails justifiably give

rise to an apprehension that the respondents/detenus/Sahara are wilfully and deliberately not taking adequate steps to sell/dispose of/mortgage the foreign assets for which express permission was sought for from and granted by this Hon'ble Court," the petition says.

The regulator said that the court has not yet been informed of any offers received and how Sahara dealt with them.

Sahara, which has interests in finance, real estate and media among its varied businesses and is a former main sponsor of the Indian cricket team, has argued that it has repaid most of the investors. The SEBI and the Supreme Court have both disputed Sahara's claims.

A date for an official hearing of the SEBI petition has yet to be announced.

## Danone takes baby-food step in China

AFP, Paris

French dairy giant Danone took a new step in China on Friday, announcing a tie-up in the booming market for baby milk products.

Six years after a scandal over contaminated baby milk in China pushed consumers towards foreign brands, Danone said it was paying 437 million euros (\$547.3 million) for 25.0 percent of Chinese firm Yashili.

This will be achieved by means of a capital increase by the Chinese company.

Yashili is one of the main producers of baby milk products in China and is majority owned by Chinese group Mengniu, which is already a partner of Danone.

Mengniu will end up owning 51.0 percent of Yashili which employs 5,000 people and has four factories in various regions of the country.

It is also building a factory to make baby milk in New Zealand which is the biggest exporter of milk in the world.

Last year, Danone invested 325 million euros in the Chinese milk sector through the creation of two joint ventures with Mengniu and another Chinese giant in the sector, Cofco.

In the space of a few years, China has become the biggest market in the world for manufactured milk products, accounting in 2012 for about one million tonnes of powder and whey.



Atiur Rahman, governor of Bangladesh bank, attends a daylong seminar organised by Association of Bankers, Bangladesh (ABB) at Radisson Hotel in Dhaka yesterday. Ali Reza Iftekhar, chairman of ABB, was also present.

## China manufacturing growth slows in Oct

AFP, Beijing

Chinese manufacturing growth slowed in October, the government said Saturday, as the world's second-largest economy expands at its weakest pace in five years.

China's official purchasing managers index (PMI), a measure of activity in the sector, came in at 50.8 last month, the National Bureau of Statistics said.

The figure was lower than the 51.1 recorded in September and compared with the preliminary 50.4 figure in a private survey released by British bank HSBC on October 23.

PMI tracks activity in China's factories and workshops and is a closely-watched indicator of the health of the economy.

Readings above 50 indicate growth, while anything below points to contraction.

HSBC is scheduled to release its final PMI reading for October on Monday.

ANZ Bank economists Liu Li-Gang and Zhou Hao said that the figure suggests China's central bank will likely continue to utilise its so-called Standing Lending Facility, a tool used to manage short-term liquidity.

"The weaker-than-expected reading of

official PMI suggests that the easing bias in the monetary policy will be maintained," they said.

The Chinese economy expanded 7.3 percent in the third quarter, lower than the 7.5 percent expansion in the previous three months and the slowest since the depths of the 2008-2009 global financial crisis, the government announced last month.

Beijing's 2014 growth target is about 7.5 percent, the same as last year, though officials including Premier Li Keqiang have openly stated a slightly slower increase is tolerable as long as the job market remains resilient.

Chinese authorities have since April used a series of limited measures to underpin growth, including targeted cuts in reserve requirements -- the amount of funds banks must put aside -- and a 500 billion yuan (\$81.8 billion) injection into the country's five biggest banks for re-lending.

A slowdown in China's huge property sector is also weighing on overall growth, with economists worrying that a potential destructive bust in housing prices could dent economic hopes for the Asian powerhouse, a key driver of global and regional growth.

## Hello Kitty celebrates 40th birthday

AFP, Tokyo

Hello Kitty, Japan's global icon of cute, marked her 40th anniversary on Saturday with a human-size version of the feline character regaling fans at an upscale Tokyo department store and a theme park.

The moon-faced creation, who has spawned a multi-billion dollar industry, began her birthday by trying her hand as manager of the Mitsukoshi department store in Tokyo's glitzy Ginza district.

Clad in pink from head to toe with a customary bow on her head, a human-size Kitty showed up at an in-house meeting at the store, drawing cheers and applause from hordes of employees.

She bowed to the staff, who bowed back. The mouthless character did not speak but waved and struck poses, sending many on the floor blurring out "kawaii!", the Japanese word for "cute".

As the store opened, she greeted the first wave of customers, many of whom hugged the character and posed for pictures.



Husna Mansur, chairman of Chemtrek, and Aldo Biscontin, managing director of Good Living Australia, attend the signing of an agreement for the marketing of Chemtrek's products in Australia at a programme recently.

## France 'determined' to drive economic reforms: PM

AFP, The Hague

French Prime Minister Manuel Valls on Friday said Paris was "absolutely determined" to drive economic reforms and that France was not "Europe's sick man".

Valls was visiting the Netherlands for talks with Dutch counterpart Mark Rutte on how to kickstart the continent's economy.

"I want to tell you that we're absolutely determined to carry through our reforms," Valls said after Dutch complaints that Paris was breaking the European Union's spending rules.

France has said that next year's deficit -- the shortfall between revenue and spending -- will hit 4.3 percent of annual economic output, far above the

EU's 3.0 percent ceiling.

Valls said Paris was committed to reducing public spending while "turning its back on political convenience".

It planned to save 21 billion euros (\$26 billion) in 2015 "because we respect the rules of the game" in the eurozone and that France "had a commitment to ourselves". Valls stressed however that it was a tough target to meet with slow economic growth.

Brussels has written to France to demand explanations for the overshoot, according to a letter confirmed by President Francois Hollande this week.

France shocked its European partners in September by going back on a pledge to get its deficit to below the three percent ceiling by next year.

## Hungry, cash-strapped residents in eastern Ukraine queue for food

AFP, Donetsk, Ukraine

Outside the iconic football stadium in Donetsk in eastern Ukraine, Yulia holds her four-year-old son Maxim by the hand as they wait for the food parcels to arrive.

"I've never come to get humanitarian aid before. I was living off my stored supplies, but I don't have anything left," says Yulia, 30, who lost her job when her company closed down at the start of the conflict between pro-Russian rebels and Ukrainian troops.

In a sign of the acute desperation for food in this rebel-held region, people began queuing for the aid around 5 am -- even though the distribution was not due until four hours later.

Around 600 people are gathered outside the ticket booths of the Donbass Arena, home stadium of Shakhtar Donetsk, winner of numerous Ukrainian championships.

These days, the stadium is closed and has suffered some shelling damage. Instead of tickets, the booths now issue receipts that grant the holder a parcel of humanitarian aid.

The parcels are organised by local oligarch Rinat Akhmetov, who owns the stadium and the football team, and controlled much of the region's economy before the conflict began in

April. He hesitated before ultimately deciding to back the Kiev government.

In the crowd, several women lament that they do not qualify for the food aid.

"We come from Makiivka (a town adjoining Donetsk). Our mayor refuses Akhmetov's aid because he says he is our enemy," says Tatyana, a 35-year-old mother of three, with tears in her eyes.

"He doesn't care that my children have nothing to eat. And when I got here, they told me the aid is only for families from Donetsk."

A young couple pushing a baby in a stroller open their package.

"Nappies for the baby, pots of pureed baby food, fruit juice, some porridge oats... This can last us a month!" says the baby's father Viktor, 28, joyfully, adding that the supplies they stocked up at the start of hostilities quickly ran out.

"Our foundation is the only one working full-time in Donetsk and in other towns," says Mykola Ivashchenko, a 44-year-old coordinator of Akhmetov's foundation. He is glad the rebel authorities in the city agreed to work with them.

In another part of the city, outside the large building of the state circus, Akhmetov's foundation is giving out aid to pensioners, the disabled, and those who have lost their homes in

the shelling.

"We give out food aid to around 1,400 people per day. We started on August 29 and more than a thousand volunteers are taking part in this operation at the moment," says 28-year-old Maria, helping to give out the parcels.

No one seems to have heard of any humanitarian aid coming from Russia or elsewhere.

"As usual, with the corruption we have here, it all gets stolen," says an elderly woman in the queue.

That is despite claims from the rebel authorities in Donetsk that those who steal or resell humanitarian aid will be killed.

"We will shoot those monsters who are growing fat on the misfortune of others," the prime minister of the self-proclaimed Donetsk People's Republic, Alexander Zakharchenko, announced recently.

In the meantime, people like Svitlana, 50, depends on the food parcels from the rebels' enemies, giving out twice a month. Hers contains tins of fish, a can of condensed milk, some vegetable oil, sugar, tea and cereals.

"It's lucky that we get this aid," she says. "Thanks to this, we haven't died of hunger, since we haven't been paid our salaries or pensions for four months."

## Juncker's new EU Commission takes office

AFP, Brussels

The new European Commission led by EU veteran Jean-Claude Juncker formally took office Saturday, promising to "get down to work" as Europe faces a host of political and economic challenges.

The agenda is heavy, with Juncker making it his first task to launch a 300 billion euro (\$380 billion) investment plan by Christmas to kickstart a faltering economy plagued by stubborn, near-record unemployment.

The Ukraine crisis meanwhile shows no sign of easing, the European Union is locked in difficult talks on a massive

and controversial trade deal with Washington and Britain's future in the bloc uncertain. "Now it's time to roll up the sleeves and get down to work. Europe's challenges cannot wait," Juncker said in a statement to mark the start of his 5-year term.

"As of today, my team and I will work hard to deliver Europe the new start we have promised."

A first test comes Sunday when pro-Russian rebels plan elections in the areas they control in eastern Ukraine in defiance of the EU which says they are illegal, will not be recognised and undermine fragile peace efforts.

Worse still, Moscow has said it will

recognise the vote, upping the ante for the EU which finds itself entangled in the worst crisis in Europe since the end of the Cold War.

The Commission, the EU's executive arm, wields huge powers from the massive glass-and-steel Berlaymont headquarters in central Brussels, drawing up the legislative proposals needed to give effect to what the member states agree.

Its 23,500 strong staff also submit myriad proposals across the whole agenda, be it on the economy or environment for member state leaders to consider when they meet in the European Council.

Juncker is no stranger to the halls

of power in Brussels.

He served for 19 years as Luxembourg prime minister and was head of the eurozone group of finance ministers during the darkest days of the debt crisis when the single currency seemed on the brink of collapse.

A famously dry sense of humour, an ability to get things done, to find the common ground where none seemed to exist and a convivial approach to life all served him well during the many long nights of the crisis.

Juncker made clear from the start he wanted politicians, not bureaucrats, on his Commission team and he has brought on board several other former premiers and senior ministers.



Muklesur Rahman, managing director of NRB Bank, launches the bank's EMV chip-based VISA credit card recently. Zeeshan Hasib, deputy managing director, was also present at the programme.