

Alibaba's Jack Ma, China's Richest Man, to Retire From Company He Co-Founded

Alibaba Group Holding Ltd's billionaire co-founder Jack Ma announced his plan to retire from the company he founded, to pursue philanthropy in education. Ma, one of China's best known corporate leaders, will remain on the company's board of directors and continue to mentor its management.

Ma, who co-founded Alibaba in 1999, stepped down as chief executive in 2013 and had very specifically made a comment about wanting the younger people to lead the company. He currently serves as the company's international face at top political and business events. The New York Times reported that Ma retired from the e-commerce company as the former English teacher seeks to focus on philanthropy in education. China's third richest person with a net worth of \$36.6 billion according to Forbes magazine, Ma was quoted by The New York Times as saying his retirement was not the end of an era, but the beginning of one. While Ma's plan to gradually step back is a milestone, analysts and industry professionals said it was unlikely his involvement would change significantly.

Ma oversees a number of charitable projects in education and environmental fields. He is a cult figure in China's internet industry and has attracted a big following among entrepreneurs and in pop culture. Ma maintains a prominent international profile, frequently inviting global leaders to the company's Hangzhou headquarters. Last year, he met US President Donald Trump, who described him as "smart" and "open minded".

Alibaba was founded by 18 people led by Ma. China's biggest e-commerce firm, it now has more than 66,000 full-time employees, the company's latest annual filing showed. The company has a market value of about \$420 billion. Ma also controls Ant Financial, which was valued at about \$150 billion after a recent fundraising round.

The succession plans come at a tricky time for Chinese tech firms. Authorities have increasingly sought to regulate the industry where Alibaba and main rival Tencent Holdings Ltd are battling for consumers.

Trade tensions also present a new challenge for Chinese tech firms, especially those like Alibaba which are rapidly expanding overseas.

This year, regulators shot down a \$1.2 billion bid for money transfer service Moneygram International Inc by Ant Financial on national security grounds, which the company said was related to "geopolitical" changes.

Ma's decision also comes as US police investigate an allegation of rape against Richard Liu, head of e-commerce rival JD.com Inc, which has hammered its shares. Liu was arrested and released without charge in the US city of Minneapolis. Liu is chairman and chief executive at JD.com, and the incident spooked investors as the company has no clear succession plan.

Vodafone-Idea merger completed, creates India's biggest telco

The merger of Idea Cellular and Vodafone India has been completed, creating India's biggest telecom service provider with over 408 million subscribers,. A new board has been constituted for the merged entity 'Vodafone Idea Ltd' with 12 directors (including six independent directors) and Kumar Mangalam Birla as its Chairman. The board has appointed Balesh Sharma as the CEO.

The combination will have all India revenue market share of 32.2 per cent and take the numero uno slot in nine telecom circles, and both Vodafone and Idea brands will continue. The telecom giant will topple Bharti Airtel from its current pole position, and will have the firepower to take on competition in the Indian telecom market, which has intensified with the aggressive entry of Reliance Jio.

It will have a broadband network of 3.4 lakh sites and distribution network with 17 lakh retail outlets. The merger is expected to generate Rs 14,000 crore annual synergy, including opex synergies of Rs 8,400 crore, equivalent to a net present value of approximately Rs 70,000 crore.

The net debt of the company stood at Rs 1,09,200 crore on June 30, 2018.

The equity infusion of Rs 6,750 crore at Idea and Rs 8,600 crore at Vodafone, coupled with monetisation of standalone towers of both companies for an enterprise value of Rs 7,850 crore, provides the company a strong cash balance of over Rs 19,300 crore post payout of Rs 3,900 crore to the Department of Telecom (DoT). The company has an option to monetise over 11 per cent stake in Indus (the tower company), amounting to a cash consideration of Rs 5,100 crore.

The combination will have a wide spectrum portfolio of about 1,850 MHz, over 2 lakh mobile sites and about 2.35 lakh kms of fibre. This will allow it to offer superior voice and broadband connectivity across the country, covering 92 per cent of the population and reaching nearly 5,00,000 towns and villages.

A regulatory filing by Idea said it will be renamed as Vodafone Idea Ltd, following the completion of all formalities and approvals. Post merger, the paid-up equity share capital of Idea Cellular stands increased to Rs 8,735.13 crore.

Himanshu Kapania stepped down from the position of Managing Director of Idea Cellular, but shall serve as non-executive director of the new company.