

Business

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CCI approves 13 power projects worth Rs 33,000 cr

NEW DELHI, PTI: The government on Monday approved 13 power projects, entailing investments worth Rs 33,000 crore, which were pending approvals due to various reasons. Of the 20 projects reviewed by the newly appointed Cabinet Committee on Investment (CCI), 13 projects involving investment of about Rs 33,000 crore have been cleared, an official statement said. "These 13 projects include 10 transmission, one hydro and two thermal projects," the statement said. CCI reviewed the status of 20 projects, each with investment of Rs 1,000 crore or more, which were pending for different types of approvals and clearances with a view to expediting decisions on approvals and clearances, it added.

"One has already been recommended by the Expert Advisory Committee (EAC) of Ministry of Environment and Forests for clearance," the statement said. "For the other two projects Ministry of Power has decided not to move the proposal to CCI and is following up with the Ministry of Coal. For remaining four projects, the matter is being followed up with state governments and other ministries for clearances," it added.

The projects were identified in transmission, hydro and thermal sector where various clearances are pending mostly with Ministry of Environment & Forests (MoEF). There were 10 projects from transmission sector awaiting clearances for Stage-I and Stage-II forest clearance from MoEF, three projects from hydro sector and seven projects from thermal sector awaiting clearances from other Ministries.

Wipro m-cap plummets Rs 7,220 cr post earnings

MUMBAI, PTI: Defying a strong stock market, shares of Wipro on Monday settled with nearly 8 per cent loss after lower-than-expected results on revenue as well as margin front and weak guidance for the first quarter of 2013-14.

After falling 11 per cent in intra-day trade, shares of the IT major finally ended at Rs 339.35, down 7.95 per cent from its previous close on the BSE. At the NSE, the scrip ended at Rs 340.60, down 7.71 per cent. The market value of the company went down by Rs 7,220 crore to Rs 83,576 crore. "Wipro's Q4 FY13 results were below consensus expectation. Moreover, seasonality and uncertain external environment prompted for a weaker-than-expected guidance for Q1 FY14," said Shashi Bhusan, Senior Research Analyst Institutional Equities, Prabhudas Lilladher.

Wipro had on Friday reported 16.73 per cent increase in net profit to Rs 1,728.7 crore for the fourth quarter ended March 31, 2013. The country's third largest software services firm's net profit stood at Rs 1,480.9 crore in the year-ago period. The consolidated total income of the company rose by 13 per cent to Rs 9,613.1 crore for the January-March quarter in 2013-13 fiscal against Rs 8,506.1 crore in the same period of 2011-12 fiscal.

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Mindtree net profit up 14% to Rs 78.9 crore

BANGALORE, DHNS: IT services provider Mindtree on Monday reported net profit of Rs 78.9 crore for the fourth quarter (Q4) ended March 31, 2013, an increase of 14 per cent from Rs 69.2 crore in the corresponding period the previous year.

The company's revenues in Q4 stood at Rs 612.4 crore, showing growth of 16.5 per cent over the Q4, 2011-12.

For fiscal 2013, Mindtree reported net profit jumped 55 per cent to Rs 338.9 crore and revenues grew 23.3 per cent to Rs 2,361.8 crore.

However, on a sequential basis, Mindtree net profit dipped 20.1 per cent. "In a challenging year, we have delivered revenue growth and better mar-

Brace up for lower increments, says Deloitte

BANGALORE: It's time for employees across sectors, barring pharmaceuticals, to accept lower annual increment in 2013-14, a trend reflecting cautious optimism that has gripped India Inc, according to a survey.

According to management consulting firm Deloitte survey "Compensation Trends Survey 2013-14", while the overall median salary increment is projected at 11.3 per cent, the highest is estimated for the pharmaceuticals, healthcare and life sciences sector at 13.1 per cent and the lowest for the financial services sector, at 9.6 per cent.

The overall variable pay as percentage of cost-to-company (CTC) is estimated at 17.3 per



cent, representing an increase of 1.3 percentage points over last year, according to the third edition of the survey. The highest component of variable pay

is expected in the financial services sector, at 20.1 per cent. The median annual increment for the IT sector is projected at 10.7 per cent, marginally lower than 11 per cent in 2012-13; for those in junior management, the projected increment is 12 per cent, down from 9.9 per cent last year. At the top management level, the projected increment is 11.6 per cent, up from 9 per cent last year.

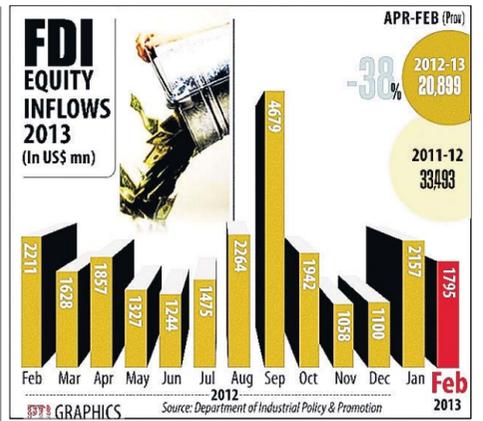
In case of ITes, the median annual increment in this sector is projected at 10.3 per cent, a decrease from the 12 per cent observed last year, the survey said. Those in advertisement and media can expect increment of 10.2 per cent, marginally down from 11 per cent last year. Two sectors that were introduced for the first time in the survey - hospitality and logistics - showed mixed trend. While hospitality held hope for

employees with an expected increment of 11.1 per cent, logistics is placed next to financial sectors, with an expected increment of 9.8 per cent.

The overall average attrition rate across sectors is estimated at 14 per cent, for obvious reasons like better career opportunities and better salary. The highest attrition level across sectors is expected in ITes sector, at about 17 per cent overall and 25 per cent at the junior management level.

The survey was conducted among 155 organisations encompassing IT, ITes, consumer business and retail, manufacturing, financial services, advertising and media and hospitality, among others.

DH News Service



Parliament panel seeks committee to monitor NPAs

Move aims to tame rising bad assets

NEW DELHI: Concerned over the rising non-performing assets (NPAs) of public sector banks, which has weakened their ability to expand credit to deserving sectors, a parliamentary panel has asked the government to constitute a special NPA management cell to monitor the pace of recovery of loans among other things.



The Parliamentary Standing Committee on Finance, headed by senior BJP leader Yashwant Sinha, has also asked the government to submit a report on the findings of the cell within three months. In the meantime, it has asked the government to publish the names of wilful defaulters "appropriately".

"The committee will urge the government/Reserve Bank of India to constitute a special NPA management cell at the highest level to review the write off, up-gradation and restructured advances and also to monitor the pace of recovery of NPAs. A report on results achieved thereof may be submitted to the committee within three months from presenta-

tion of this report," it said.

The report, tabled in Lok Sabha on Monday noted that the performance of individual PSBs in recovering NPAs as compared to write-offs was far from satisfactory and that the largest public sector lender, the State Bank of India, was able to improve its actual recovery by a paltry Rs 311 crore as against Rs 1,452 crore write-offs in 2012.

In 2011, the gross NPAs of PSBs ballooned 24 per cent to

Rs 74,664 crore from Rs 59,924 crore in 2010, which further increased by 36 per cent to Rs 1,17,262 crore in 2012. The report said that the rising NPAs have eroded the balance sheets of PSBs. For example, the net profit of SBI declined to Rs 3,398.06 crore in December, 2012 from Rs 3,658.14 crore in September, 2012.

Complete probe

"The committee is perturbed to find that during the years 2010-12, the number of accounts of gross NPAs above Rs one crore of PSBs increased by around 80 per cent to 7,295 accounts from 4,099 accounts," the reports said.

Major increases in these accounts were reported in SBI, Bank of India, IDBI Bank, Indian Overseas Bank, Punjab National Bank and Union Bank of India, it said.

The panel also asked finance ministry to expeditiously complete the probe into the names revealed by HSBC on unaccounted money stashed abroad and submit the report to the panel within a month.

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Fall in gold, oil prices will help narrow CAD to 4.3%: Nomura

MUMBAI: Japanese brokerage firm Nomura on Monday said the recent fall in gold and oil prices can help improve India's elevated current account deficit (CAD) by one percentage point to 4.3 per cent during 2013.

"If commodity prices are sustained at today's lower levels, the current account deficit may improve by around 1 per cent of GDP to 4.3 per cent in 2013, (down) from our base case of 5.3 per cent," it said in a note.

It, however, added that the CAD will still be high and "financing it will continue to remain a concern". It can be noted that CAD has hit a historic high of 6.7 per cent in the December quarter of the fiscal 2012-13, leaving everyone worried and the full fiscal is going to end with a CAD of over 5 per cent, making it a major worry for the policymakers.

There has been a large correction in the gold and oil prices over the last fortnight, which has ushered in optimism on the macroeconomic front for the country.

"This will likely lower WPI inflation, help moderate the current account deficit and help reduce the government's fuel and fertiliser subsidy bill - providing some much-needed breathing space to policymakers," the Nomura note said, adding India is among the "biggest winners" because of correction. It said the gold im-



port bill would go down by \$8 billion because of the price effect and there will also be an additional benefit because of decline in volumes as it loses lustre as an investment item.

Similarly, it said a fall of \$10 per barrel of crude oil will help lower the net import oil bill by \$9 billion. On the inflation front, it said lower commodity prices and stable currency will ease input cost pressures and bring down the wholesale price inflation sharply. "We estimate CPI inflation to be only 0.60 per cent lower than our baseline assumption at 9.2 per cent year-on-year (y-o-y) in 2013. WPI inflation should fall sharply to 5.6 per cent y-o-y in 2013, 1.60 per cent below our current forecast, due to the higher weight given to commodities in WPI basket," it said.

This will, in turn, help the Reserve Bank ease its policy rates by 0.75 per cent during the year, against the 0.25 per cent estimated earlier, the Nomura note said.

PTI

UltraTech net down 16%, dividend at Rs 9/share

MUMBAI: UltraTech Cement on Monday posted a net profit of Rs 726.20 crore for the quarter ended March 31, 2013 as compared to Rs 867.32 crore for the comparable quarter of the fiscal 2012, a decline of 16.27 per cent.

During the quarter under review, the company's total income rose to Rs 5,572.52 crore from Rs 5,529.14 crore for the quarter ended March 31, 2012, a marginal fall of 0.78 per cent.

For the full year ended March 31, 2013, UltraTech posted a net profit of Rs 2,655.43 crore compared to Rs 2,446.19 crore for the year ended March 31, 2012, a rise of 8.55 per cent. Total income of the company grew from Rs 18,681.72 crore for the year

ended March 31, 2012 to Rs 20,479.94 crore for the year ended March 31, 2013.

On a consolidated basis, it posted a net profit and minority interest of Rs 2,677.73 crore for the year ended March 31, 2013 as compared to Rs 2,403.26 crore for the year ended March 31, 2012, an increase of 11.42 per cent.

Total income (consolidated) has increased by 9.33 per cent to Rs 21,622.68 crore for the year ended March 31, 2013 from Rs 19,603.25 crore for the year ended March 31, 2012.

The Board of UltraTech Cement at its meeting held on April 22, 2013 recommended a dividend of Rs 9 per equity share.

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No significant impact of falling gold prices, say loan firms

BANGALORE: The Association of Gold Loan Companies (AGLOC) on Monday said that falling gold prices won't have any "significant impact" on their loan portfolios as their business model takes care of price fluctuations.

It said that the member companies have already factored in fluctuations in their business model and as such a 15-20 per cent price fluctuation in gold prices will not impact their gold loan portfolios. It said that though price is an important factor in gold loan business, the business model should not be misunderstood as a business of financing of gold bullion or shares where in mark-to-market valuation could affect the repayment behaviour of the



borrower. In a statement, AL-FOC president George Alexander Muthoot said: "The gold loan companies are majorly lending against household jewellery where the impact of such temporary fluctuations on the

business model are minimum. These loans are of short duration of 3-6 months. Compared to the disbursements, NPA levels are low."

He further said, "AGLOC has asked member companies to review their existing collection mechanism and further strengthen it. Companies should auction defaulted and abandoned loan accounts with due compliance to fair practice code stipulated by the RBI."

AGLOC said that the maximum lending rate has been reduced in the light of fall in gold prices and added it is closely monitoring price movements to advise members of any further change in the maximum rate of loan per gram of gold.

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ABB to acquire Power-One for \$1 b

BANGALORE: As a move to become a global leader in the renewable energy segment, power and automation technologies giant ABB on Monday announced its plan to acquire solar photovoltaic (PV) inverter company Power-One for about \$1 billion.

ABB will acquire Power-One at \$6.35 per share or approximately \$1 billion equity value, which includes Power-One's net cash of \$266 million.

Commenting on the acquisition, ABB CEO Joe Hogan said, "Power-One is a technology innovator focusing on the most attractive and intelligent solar PV product.

The combination of Power-One and ABB is fully in line with our 2015 strategy and would create a global player



with the scale to compete successfully and create value for customers, employees and

shareholders." Since solar PV industry is set for 10 per cent annual growth with PV-generated power rapidly approaches grid parity in many countries, ABB's acquisition of Power-One will change the company's energy mix in the long term, ABB said in a statement.

Renewable energy

Forty-year old Power-One employs almost 3,300 people, mainly in China, Italy, the US and Slovakia. In 2012, it generated \$120 million in earnings before interest, taxes, depreciation and amortization (EBITDA) on sales of approximately \$1 billion.

Talking about the merging plan, Power-One CEO Richard J Thompson said, "Together

we can better address the growing worldwide demand for innovative, renewable energy solutions and strengthen our global leadership. I believe ABB is the right partner and now is the ideal time for our companies to join forces."

"Power-One will be integrated to ABB's Discrete Automation and Motion division. The merger is expected to close in the second half of 2013 and ABB will finance the transaction out of its own funds," the statement said.

ABB has brought many solutions to the solar PV industry and is on track to generate sales of more than \$100 million in solar inverters in 2013. In 2012, ABB invested about \$1.5 billion in R&D overall.

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Scotts Garments plans to raise Rs 138 cr via IPO

Scotts Garments on Monday said the company is planning to enter the capital market to raise over Rs 138 crore to fund its future expansions.

The issue, whose price band has been fixed at Rs 130 to Rs 132 per equity share constituting 1,05,06,954 equity shares of the face value of Rs 10 each, will open for subscription on April 25 and

close on April 29. "We are planning to divest 25.80 per cent of our equity to raise about Rs 138 crore to part finance in setting up a trouser manufacturing unit in Bangalore, Karnataka, knitting and fabric processing unit in Kolhapur, Maharashtra, working capital of the new units and for general corporate purpose" Scotts Garments MD Naseer Ahmed said.

Reva to export to Europe

Mahindra Reva, a part of the Mahindra Group, plans to start exporting its electric car to Europe next year, a senior company official said Monday.

"We have plans to export Mahindra Reva in Europe

from 2014," Mahindra Reva Electric Vehicles, Chief of Operations, R Chandramouli, told reporters. "We are working on the regulatory framework of the European Union for starting export," he added.

Tata's HD voice termination service

Tata Communications on Monday said it has launched international HD (high definition) voice service that will allow mobile operators to route such calls via end-to-end IP (Internet Protocol) without transcoding. "The new service enables MNOs

(mobile network operators) to route international HD calls via end-to-end IP, without transcoding, ensuring that HD customers calling HD-compatible destinations internationally will receive the full HD experience," Tata Communications said.

Tata Elxsi Q4 net down over 23%

Tata Elxsi, the product design arm of Tata group, on Monday said its net profit declined 23.15 per cent to Rs 8.13 crore for the fourth quarter ended March 31, 2013.

This is against a net profit of Rs 10.58 crore in the same period last year, Tata Elxsi said in a filing to the BSE.

However, income from operations grew 12.33 per cent to Rs 163.43 crore for Q4 FY'13 from Rs 145.49 crore in Q4 FY '12. For the fiscal ended March 31, 2013, the company's net profit dipped 42.19 per cent to Rs 22.37 crore, while revenue was up 15.4 per cent to Rs 621.67 crore.

DMI Fin raises Rs 100 cr via NCDs

DMI Finance, a non-banking finance company backed by the Burman family of Dabur India, has raised Rs 100 crore through issue of non-convertible debentures and is looking to raise further funds over the next year to fi-

nance its growth plans, a top official has said. The entire issue of Rs 100 crore was subscribed by the Foreign Institutional Investors (FIIs) and the NCDs have been listed on the BSE, the company said in a statement.

India spent Rs 1 cr for lobbying US govt in Q1 of 2013

WASHINGTON, PTI: Continuing its lobbying among the American lawmakers over Indo-US bilateral relationship, the Indian government has spent \$180,000 (about Rs 1 crore) to its lobbyists here in the first quarter of 2013.

Cumulatively, the Indian government has paid its lobbyist firm, Barbour Griffith & Rogers LLC (BGR), close to \$5 million (over Rs 25 crore) since it began lobbying in the US in September 2005, shows the Congressional records of lobbying disclosure reports filed here.

Lobbying is a legal activity in the US, but the lobby firms are required to mandatorily submit the disclosure forms with the Senate for each of their clients. The latest quarter lobbying disclosure report on behalf of the Indian government was filed by BGR on Sunday, wherein it has disclosed an income of \$180,000 on issues related to the bilateral relationship between the two countries.

On behalf of India, BGR has lobbied at the US Senate, the House of Representatives, US Trade Representative (USTR), Department of State and Department of Commerce in the area of Indo-US bilateral relations, while its lobbying issues in the past have included the US-India civil nuclear deal. Other Indian entities having

lobbied in the US during the quarter ended March 31, 2013, included ONGC Videsh Ltd, software industry body Nasscom and Sterling Biotech.

ONGC Videsh, which began lobbying in the US this year, paid \$20,000 to its lobby firm Patton Boggs LLC, which has disclosed having lobbied on "issues related to GAO Report regarding Iran sanctions issues".

The US Government Accountability Office (GAO) in its December 2012 report on Iran's energy sector had listed ONGC Videsh among the "foreign firms reported in open sources as engaging in commercial activity in Iran's energy sector at some point between June 1, 2011 and September 30, 2012".

"Open sources reported ONGC Videsh Ltd as having a 40 percent interest in the Farsi Block, an Iranian gas field.

"However, the firm notified us that although negotiations were held, no agreements had been reached and no contracts to develop the field had been signed, and it had decided not to pursue further work on the Farsi Block gas field under the present circumstances," GAO report said.

Various Indian companies have been lobbying for their business interests among the US lawmakers, although some including Reliance Industries recently stopped doing so.