

L&T Infotech recalls 1,500 job offers

India's sixth largest software exporter L&T Infotech, a subsidiary of engineering giant Larsen & Toubro, has withdrawn offer letters to around 1,500 students in south India. These students, mostly from the 2015 batches of various Tamil Nadu colleges, had been hired through campus placements and subsequent tests. Some of these students have now started a fast near Chennai's Infotech City from Monday.

The withdrawal of offer letters is an indication that the company might have overestimated its future business after giving offer letters. The company, though, cited the 'poor performance' of the students in a second online test conducted in March this year for withdrawing the offer letters.

According to K Seetharaman, secretary of Knowledge Professional Forum, L&T Infotech had, in 2014, decided to hire 5,000 people from 20-25 colleges across India.

An email sent to L&T did not elicit any response. But an insider said the company had given only the 'letter of intent' to hire and not appointment letters.

Of these, 500-600 were hired from Tamil Nadu to join from FY15 onwards.

For 18 months, the students were 'benched' by the company. After several rounds of talks, the company held another online test in March this year. "Almost 90 per cent of the 1,500 people who appeared for the test were not qualified and it clearly shows that the intention was not to hire them," he said. This is the first time that an Indian information technology (IT) services company has asked recruits to appear for another round of test after campus selection. Under placement rules, a student cannot approach a rival company after accepting an offer letter at a campus recruitment. This clause blocked many candidates from approaching other companies.

The Forum was launched in 2000 to work on issues related to IT/IT-enabled services employees and their rights. The Forum demanded that these 1,500 students be hired by the company immediately and compensation be given for the past 18 months as they have been waiting without salary for a long time. They also

demanded that campus recruitment be monitored by government agencies or institutes such as Anna University and there should be working councils in all infotech firms.

L&T Infotech recalls 1,500 job offers. A placement officer from one of the colleges, where L&T Infotech recruited candidates, said the company wrongly assessed the manpower requirement and recruited heavily. Later, to cover its mistake, they conducted another test and disqualified many people. "We made a couple of representations but they did not reply and nobody in the company wants to take ownership. Legally, they may be on the right wicket, but morally they aren't," said an Anna University official, who did not wish to be named. L&T's Infotech had 19,479 employees as of March 2015, up from 17,627 in March 2014, according to its draft prospectus filed with the regulators. The company hires far lower annually than its peers.

The withdrawal of letters comes in the backdrop of an unprecedented move by Flipkart. The online retailer informed IIM-Ahmedabad students that their joining dates had been deferred to December.

NTPC profits continue to slide, income dips by 5%

State-owned NTPC registered an annual profit of Rs 10,243 crore during 2015-16, showing a mild decline from the previous year's figure of Rs 10,291 crore.

The company, a leading power producer, has been posting decline in profit for the past three years now.

The audited total income for FY16 stood at Rs 71,696 crore, 4.8 per cent lower than that of FY15.

During FY16, NTPC recorded the highest ever generation of 242 billion units against 241 billion units in FY15. Company executives, however, said NTPC could not generate 20 per cent of its total generation capacity owing to lack of demand.

NTPC witnessed a decline in its plant load factor (PLF) or the utilisation ratio of power generation unit at 78.6 per cent in FY16, which is lower than its PLF of 80.2 a year ago.

According to company officials, the miscellaneous costs for NTPC have gone up. These include expenditure on corporate social responsibility, which doubled in a year to Rs 500 crore in 2015-16.

The new emission norms

stipulated by the government for thermal power plants to meet climate change targets are also likely to hit the capital expenditure of NTPC.

According to senior officials, the cost of power production would increase by Rs 50 lakh per Mw. The current cost of power production is Rs 5 crore per MW – an average increase of 10 per cent.

With the improvement in coal supply and availability, NTPC's average energy cost came down by 13 per cent in the last quarter.

"This benefit was passed on to the consumer. We continue to recover the fixed cost from our procurers, variable cost, which is a function of the demand, continues to face hiccups," said a senior director requesting anonymity.

NTPC profits continue to slide, income dips by 5% for the quarter ending March 2016. NTPC's profit registered a 13 per cent growth over the year-ago period to Rs 2,716 crore.

The unaudited total income during the same period was Rs 18,561 crore, declining by 7.7 per cent from the fourth quarter of FY15.

Subros fire puts brakes on Maruti's production

The country's largest car maker, Maruti Suzuki, suspended production at both its plants on Monday afternoon as the supply of air-conditioning systems from Subros' Manesar unit halted.

A fire on Sunday damaged the Subros plant and resumption of operations may take a few months.

Maruti is looking at other ways to source air-conditioning units. The production loss will affect Maruti's sales in May.

"Subros and Maruti Suzuki are assessing the extent of damage to essential equipment. We are also examining options of supply of components from other facilities. Production will resume as soon as components become available," Maruti said in a statement.

Subros, which has about 40 per cent market share in the vehicle air-conditioning business, also has plants in Noida, Chennai, Pune and Sanand. Maruti sources

some air-conditioning systems from Sanden Vikas and Denso.

Subros sells approximately 1 million AC systems to car makers in a year with Maruti being its biggest client. Other clients include Mahindra & Mahindra, Tata Motors and Nissan-Renault. Supply to buyers other than Maruti is mostly from Subros' other plants.

Maruti produces almost 5,000 vehicles a day between its two plants- Gurgaon and Manesar- in Haryana. At the BSE, Maruti's stock ended the day at Rs 4,073.15, down 1.65 per cent from the previous trading day. The BSE Sensex ended in the green with addition of 72 points. In February, Maruti had lost two days of production or about 10,000 units, due to the component supply disruption created by the Jat agitation in various parts of Haryana. The company was forced to shut operations at both its plants - Gurgaon and Manesar - in

Haryana.

The stock price of Subros, which supplies air conditioning system to Maruti ended Monday's trading with a 3.87 per cent decline at the BSE. Subros sells approximately one million AC systems to car makers in a year with Maruti being its biggest buyer. Other clients include M&M, Tata Motors, Nissan-Renault. Supply to buyers other than Maruti is mostly met from other plants.

Subros said in a statement to BSE on Monday that there was no causality or major injury due to the fire. "The fire was controlled, however it has severely impacted the building, stocks and plant and machinery. The Company has initiated steps towards re-functioning of the Manesar plant at the earliest and steps are being taken to service the customer requirement from our other plants at Noida, Pune and Chennai," it said.

Snapdeal opens data sciences centre in California

Online marketplace Snapdeal today said it has established a data sciences centre in San Carlos, California, to get top global talent and build high-value solutions.

The centre will focus on big-data and advanced analytics to add clarity to Snapdeal's consumer-centric initiatives, help shape business strategy and optimise the operational efficiencies using data.

"We have set up a data science engine in California, which is home to domain talent, to further augment our efforts in creating a superior customer experience and strengthen our supply chain. Snapdeal is extensively working on data mining through an existing analytics team." Rohit Bansal, co-founder, Snapdeal said.

The centre houses experienced data scientists from leading global brands like Groupon, Google, Yahoo and Amazon and is headed by Nitin Sharma, senior vice-president, Data Sciences, the company said in a statement.

"The richer understanding of the customers by capturing and integrating the information on their buying behaviour will drive habit commerce and is in sync with our vision of 20 million daily transacting users by the year 2020," Bansal added.

Plastic bottles contaminate medicines, says panel

Plastic or PET (polyethylene terephthalate) bottles contaminated the medicines stored in these, concluded laboratory tests ordered by the health ministry and endorsed by the country's top statutory authority on standards for medicines, the Drugs Technical Advisory Board (DTAB). Based on the result of the lab tests, the board has recommended banning the bottling of medicines in plastics and PET meant for vulnerable groups, such as children and pregnant women.

These recommendations, made in May 2016, by the statutory panel of experts, stand in complete contrast to what the health ministry told the National Green Tribunal (NGT) in March, discrediting the results of the lab tests as inadequate, based on another report from a committee it formed specifically on the issue, chaired by an ex-secretary M K Bhan.

The study, undertaken on the instructions of the health ministry, was conducted by the government's All India Institute of Hygiene and Public Health (AIIPH&PH). It found that four heavy metals - lead, antimony, Di-(2-ethylhexyl)phthalate (known as DEHP) and chromium - had leached into the five liquid medicine formulations that were tested. The leaching occurred even at ambient room temperatures. "To consider a level as safe level amounts to playing with fire," the institute said.

In the five brands it tested, the

research institute found that the leaching of antimony, Di-(2-ethylhexyl)phthalate (known as DEHP) and chromium increased with a rise in room temperature. The leaching of lead increased in just three brands as the room temperature rose. On lead, the World Health Organisation (WHO) had concluded that there was no known level of safe exposure.

The lab tests were also carried out on juices, beverages, alcohol and oil packaged in plastic and PET bottles. But the results of these products are not known.

Reacting to the preliminary report of the institute in August 2015, the health ministry had formed a temporary high level committee under a former secretary, M K Bhan. The committee had found faults with the institute's lab results.

Subsequently, in an ongoing case before the NGT, the health ministry in March tabled only the Bhan committee report, which discredited the government's internal lab tests report as inadequate. The results of the lab tests were not disclosed before the tribunal.

The committee said there was no clear proof of PET bottles contaminating medicines inside them. It also recommended that PET and plastic packaging continue and standards be set for it. It admitted that there were no standards in India for safe plastic packaging, unlike in countries

such as the US.

But in May 2016, government's statutory DTAB experts met, as they do periodically. They endorsed the lab test results of the AIIPH&PH. The DTAB recommended to the health ministry to prohibit the use of plastic-bottle packaging for any liquid oral formulations having "pediatric use, geriatric use, use by pregnant women and use by any women of the reproductive age group".

These recommendations were reviewed as were the Bhan committee report and the institute's lab results.

The government research institute's special group set up on this issue itself had recommended that at least 20 per cent of any pharmaceutical liquid or semi-liquid oral product should be packaged only in glass bottles. It also said packaging companies should deploy five per cent of profits in discovering better alternatives.

In its final report, the institute also rebutted Bhan committee's critique. The rebuttal was accepted by government's DTAB.

The debate within government on this issues dates back to 2013 when DTAB first recommended that PET and plastic packaging should not be permitted for pharmaceutical products catering to children and other vulnerable groups.

Mahindra profit up 6%, misses Street estimates

Utility vehicle and tractor manufacturer Mahindra & Mahindra recorded a net profit growth of six per cent during the March quarter but fell short of street estimates.

The Mumbai-based company posted a standalone net profit of Rs 583 crore for the quarter, up from Rs 550 crore in the same time

as tractor sales grew nearly 19 per cent to 41,129. In both segments the company commanded a market share of 41 per cent during the quarter.

After five consecutive quarters of declines, the tractor industry grew 7.9 per cent in the fourth quarter of 2015-16. This was due to a marginally higher rabi grain production and low industry base.



a year ago. A Bloomberg poll of analysts had forecast net profit of Rs 681 crore for the reporting quarter.

M&M's standalone net sales grew 15 per cent during the quarter to Rs 10,666 crore from 9,288 crore in the same quarter of 2014-15.

The company's excise break for the Pantnagar plant expired leading to a decline in margins during the quarter, executives said. However, there was a pick-up in sales during the reporting period.

Utility vehicle sales volume grew 21 per cent to 69,082 even

The forecast for growth in tractor sales for the industry is 10 per cent. The company's board recommended a dividend of Rs 12 per share of Rs 5 face value, which would absorb a sum of Rs 842 crore, M&M said.

Standalone net profit for the year ended March 31, dipped 4.6 per cent to Rs 3,167 crore from Rs 3,321 crore in 2014-15. Net sales for the year were Rs 40,396 crore, up 6.61 per cent from Rs 37,891 crore in 2014-15.

Last year, the company launched nine vehicles, including the TUV300 and KUV100, which pushed up growth.

M&M will not be able to match that rate this year. "This year we will not be making any new platform launch," said Pawan Goenka, executive director.

Coal India hopes to win orders from Bangladesh

As the domestic demand for coal has started dwindling with surplus stock at power plants, Coal India has started exploring export opportunities, hoping to enter Bangladesh with the upcoming Maitree super-critical thermal project there. A team recently visited Bangladesh and is likely to table its report soon.

State-owned power generator



NTPC is developing a 1,320-Mw thermal power project in Khulna, Bangladesh, in partnership with Bangladesh Power Development Board (BPDB). A company, Bangladesh India Friendship Power Company, with a 50:50 ownership ratio has already been floated in this endeavour.

"Previously, Bangladesh had asked us to rationalise the prices of higher grades coal at par with international prices which could open up this corridor for us... It is one country we cannot ignore," a senior Coal India official said. Recently, Coal India increased

prices by 6.29 per cent, hoping to generate extra annual revenue of Rs 3,234 crore. "This price revision will also be applicable for exports," the official added.

NTPC, together with BPDB, will select the lowest bidder. This puts Coal India in direct competition with Chinese and Indonesian coal suppliers. "Signing of Financial Services

Authority will depend on the price quoted by lowest bidder and as such there will not be any preference for any particular company or country," an NTPC official said. A 1,320-Mw plant would require six million tonnes of coal every year, with a buffer stock of three weeks. Although Coal India is confident that the proximity with Bangladesh and the development of inland waterways will make its coal cheaper than the Indonesian variant, experts said its feasibility also depends on the grade of coal opted by the plant and the price volatility in the international market