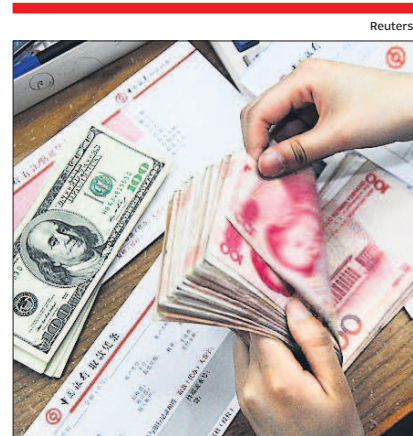


**NTPC PLANS TO BORROW \$4.5 BILLION TO QUADRUPLE GENERATION CAPACITY: CHAIRMAN R S SHARMA**

**US PLANS TO SEEK \$16.4 MILLION FINE FROM AKIO TOYODA-LED TOYOTA | 20**

## EXECUTIVE DIGEST



**NO MANIPULATION:** An employee counts Yuans at a bank in Hefei, Anhui province on Tuesday. Beijing stoutly defended its currency policy on Tuesday, denying it manipulates the yuan and rejecting the argument a stronger exchange rate would ease the US trade deficit with China

## Demerger move: Unitech appoints advisers

**Mumbai:** Realty major Unitech on Tuesday said it has appointed Ernst & Young and two other advisors for exploring opportunities for potential restructuring of its businesses to unlock value for shareholders. The board also appointed S R Batliboi & Co and Amarchand & Mangaldas & Suresh A Shroff & Co as advisors to assist the restructuring committee in the proposed corporate restructuring.

**Samsung Electronics,** Asia's biggest maker of semiconductors, flat screens and mobile phones, said first-quarter profit increased sevenfold after demand for personal computers and televisions drove up prices. Operating profit was about 4.3 trillion won (\$3.8 billion), plus or minus 200 billion won, compared with a revised 590 billion won a year earlier, the Suwon, South Korea-based company said.

**Apple,** trying to ignite demand for tablet-style computers with its iPad, said it sold more than 300,000 of the devices on the first day of their debut weekend.

**Microsoft** is planning to unveil a new line of mobile phones early next week, with social-networking capabilities, says a media report. The new devices, based on a Microsoft development project code-named 'Pink' would be sold by top mobile operator Verizon Wireless from later this month in the US.

**SEBI** has cut down by nearly half the listing time for companies to 12 days after completing the initial public offer. The new rule would be effective from May 1. The move would help rotation of investors' money faster for possible deployment in other issues.

**Wipro Technologies** has signed a partnership agreement with Philips to offer Blu-Ray middleware and solution development services around Philips developed Blu-Ray technology.

## CA to cut 1,000 jobs, shut down plants

**CA,** the business software company, said Tuesday that it was cutting 1,000 jobs and closing an unspecified number of plants as part of a restructuring plan to reduce costs and become more efficient. The job cuts represent about 8% of its work force.

The company, based in Islandia, NY, also said full-year earnings would come in at the lower end of the range it had previously given. The company said in a filing with the SEC that it expected to incur a \$50 million pre-tax charge as a result of the cuts, with \$47 million for severance payments and the rest related to plant closings. AGENCIES

# Top-order rejig at Religare

## Singh Brothers Resign From Board To Focus On Healthcare Biz

TIMES NEWS NETWORK

**New Delhi:** Promoters of Religare Enterprises Malvinder Singh and Shivinder Singh resigned from the board of the company on Tuesday "to devote more time in their healthcare business". Malvinder Singh was the chairman of Religare.

The Religare board on Tuesday appointed Sunil Godhwani as chairman and managing director, while Sachindra Nath has been appointed as new chief executive of the financial services firm.

Malvinder Singh said the step has been taken with an objective to segregate the management from ownership and in turn, create value for shareholders. "Shivinder and I will continue to focus on building a global healthcare delivery business," he said.

At the same time, Malvinder clarified that there was absolutely no plan to sell their stakes from the finance company. "We are willing to increase our stake in Religare Enterprises. The decision to step down from the board was taken in consultation with Shivinder. Shivi and I are one team," he said.

"I want to create a global business... What we have decided is that international healthcare business will be handled by me, domestic (operations) by Shivinder and financial services by Sunil," Malvinder said. "I brought him (Sunil) in Religare in 2001. I have known him all my life, and the family for three generations... He is very close to me. I have absolute trust in the team which has run the company over the last nine years," he added. Religare inducted Nath and chief financial officer Anil Saxena on the board.

Three new members with global experience in asset management, investment and commercial banking would be inducted later, Malvinder said.



Malvinder Singh (left) and Shivinder Singh

Now, Malvinder will associate more closely with recently-acquired Parkway Holdings in his capacity as its chairman. "My own focus will be driven on the international aspect of the healthcare side and for Fortis, we would use Parkway as a vehicle for international growth," he said.

"I am very clear about the strategy to adopt... Its not about holding a position. You are there in the company to drive it. Now, I would have the time to concentrate on Parkway Holdings - its the fourth largest healthcare company in the world, and largest in India... I have a global healthcare model in mind, which I plan to execute," he said.

In March, Fortis had acquired 23.9% stake in the Singapore-based healthcare firm Parkway for \$685 million as part of its efforts to expand its operations in Asia and the Middle East. As part of the deal, Fortis got four seats on the Parkway board. Malvinder, who is the group chairman of Fortis, is slated to become the chairman of the Parkway board.

## ...Eyeing stake in SpiceJet?

TIMES NEWS NETWORK

**New Delhi:** Gurgaon-based budget airline SpiceJet may soon get a fresh infusion of funds. The low cost carrier (LCC) is planning to raise \$75 million for funding expansion plans and it is also beginning international flights in a couple of months. According to highly placed aviation industry sources, billionaire Malvinder Singh's Religare Voyages is learnt to be buying a stake in the airline by participating in this fundraising programme.

The exact amount Religare is looking for investment could not be ascertained. While Malvinder Singh did not deny, he termed it as "mere speculation". The airline also denied that it was in talks with Religare. The buzz, however, took the airline scrip northwards, closing 7.3% higher at Rs 61.1 in an otherwise flat Tuesday market.

Industry insiders said SpiceJet is witnessing two independent moves simultaneously. "US billionaire Wilbur Ross, who invested about Rs 350 crore in July 2008, is now looking to exit. Southern India media baron Kalanidhi Maran is eyeing this entire stake," said a source. Ross holds \$68 million of bonds that can be converted into 125 million shares, at a conversion price of Rs 25. Due by December, this would be worth Rs 740-750 crore at current stock prices. Ross recently admitted that he received some proposals and he is looking at them.

Industry insiders say SpiceJet is likely to report a profit for 2009-10, its first full year in black.

## Temasek in talks to invest in GMR, other cos

**Temasek Holdings,** the Singapore state investment company, is seeking stakes in Indian power producers, including GMR Group, as they double capacity to meet demand in the world's second-fastest growing major economy. "We are in advanced discussions with GMR", Wong Kim Yin, managing director for energy investments at Temasek, said at a power conference in Singapore on Tuesday. "We are trying to get exposure to the domestic India markets."

Temasek, manager of about \$172 billion (\$123 billion) of assets, is betting utilities

will ramp up generation in the next seven years to overcome power shortages that Indian's government says are hampering economic growth.

The 17-member power index of the BSE has shot up 62% in a year, lagging behind the 70% gain in the sensex.

Temasek is probably entering at the right time as the sector and the company has a lot to offer in the short term, said Abhineet Anand, a Mumbai-based analyst with Antique Stock Broking. A Subba Rao, chief financial officer of GMR Group, denied on Dec 15 a re-

port that the group was in talks with Temasek and ICICI Bank to raise funds to build power plants. He couldn't be immediately reached for comment.

"Typically we look more at investing in power companies than in power projects", Wong said, in reply to a question on whether Temasek was investing in new generators in India. Temasek, which has invested in resources companies and financial institutions including ICICI, India's second-biggest lender, is in talks with a number of players, Wong said. BLOOMBERG

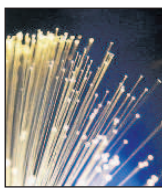
## Fierce fight in store for 3G spectrum

TIMES NEWS NETWORK

**New Delhi:** The upcoming 3G auctions, which will be held online through a secure website from April 9, promises to be fiercely competitive with as many as six of the nine bidders nurturing pan-India spectrum ambitions.

The players include Bharti Airtel, Vodafone Essar, Reliance Telecom, Tata Teleservices, Idea and Aircel. These companies have deposited Rs 505 crore as earnest money, which makes them eligible to bid for all-India spectrum. Etisalat has put Rs 427.5 crore on the table, making its intentions clear, while S Tel and Videocon have deposited Rs 37.50 crore and Rs 20 crore, respectively. They are eyeing presence only in a few circles.

Similarly, 8 of the 11 bidders for BWA spectrum are also targeting a pan-India presence. These include



Bharti, Vodafone, Reliance, Tata, Idea, Aircel, Qualcomm and Infotel Broadband -- all of whom have paid Rs 252 crore. The BWA auctions will begin a few days after the close of the 3G auctions, which could take a couple of weeks to conclude. All the bid data will only be made public by the government after the close of the auction.

The government is auctioning three or four blocks of 2x5 MHz of pan-India 3G spectrum and two blocks of 20 MHz of pan-India BWA spectrum. BSNL and MTNL have already received 3G spectrum and launched services.

While these firms will not participate in the auctions, they will also pay a market price for the spectrum

determined by the auction. Rothschild, the auctioneer, declined to comment if the auctions would exceed the government's revenue target of Rs 30,000 crore.

The simultaneous auction design ensures that all 22 service areas remain in play till the end. The auction ends when demand tallies with the number of available lots in every service area. The activity requirement is 100% in the multiple-round, clock format to ensure that companies bid for all their targets and do not stay dormant in some rounds.

According to Rothschild, the bidders are only told the total demand in each service area and not who is bidding for what.

The auctioneer raises the price after each round and bidders have to merely accept/reject the price posted. This makes predatory jump bidding impossible.

## 'Big 4 audit companies bending laws in India'

TIMES NEWS NETWORK

**New Delhi:** A committee of accounting and auditing regulator ICAI has said that the global Big Four auditing firms are circumventing laws while providing auditing services in the country. The Big Four — PricewaterhouseCoopers, KPMG, Ernst & Young and Deloitte — are using the permission granted for doing consultancy work but carrying out other services that they are not permitted to do, a high-powered body of the ICAI, that is probing the Satyam scam, said.

"It has been noticed that MAFs (multinational accounting firms), entered through automatic/FIPB route for rendering consultancy services, are transgressing the permission so granted and are rendering taxation services, auditing, accounting and book keeping services and legal services," said the committee, headed by former ICAI president Utam Prakash Agarwal. The Big Four operate in India through domestic affiliates, the report said. Price Waterhouse Bangalore, an affiliate of PricewaterhouseCoopers, had been the auditor of scam-tainted Satyam Computer, a company that was involved in India's biggest accounting fraud.

"... Indian firms and MAFs are de facto the same entities providing the assurance, management and related services and as such their operations are designed to circumvent the provisions of the Chartered Accountants Act,



1949, and regulations framed thereunder," the committee said. India does not allow foreign direct investment in accounting, auditing and book keeping, taxation and legal services, the committee noted, adding that "no commitment so far has been made by India for opening of such services under the WTO/GATS (General Agreement on Trade in Services)".

The Indian affiliate of PricewaterhouseCoopers include Price Waterhouse firms and Lovelock and Lewes, while Deloitte has tie-ups with C C Chokshi, A F Ferguson, Fraser and Ross and S B Billimoria. KPMG has association with BSR firms and Ernst & Young has a tie-up with S R Batliboi entities.

Last year, ICAI sought details from 94 chartered accountants firms about their arrangement with the international accounting firms. However, a number of firms are believed to have not furnished complete information. "The reply from some of the firms is silent as to whether any payments is being made to obtain the licence to use the brand name."

## ASW: the Facebook of the wealthy

Sujit John | TNN



Patrick Liotard-Vogt

**Patrick Liotard-Vogt,** who started his first company when he was 17 and who has since then invested in some 40 companies in Europe and the US, wants to now invest in Indian companies. "I'm looking at investing \$5-10 million in India, in about 10-15 companies. I see a huge potential in emerging markets," he says. His company does early stage funding.

ASW remains the most popular. The challenge for such sites has been to be profitable even as they remain exclusive. Liotard-Vogt says he is focused on an advertising model. "I have got luxury brands like Cartier, Chopard, Mercedes and Dom Perignon to advertise on the site," he says.

IT company does CRM applications and we could quickly conclude a deal. If I'm flying to New York and I need some advice about the place, I can interact with ASW members there and I know they can be trusted," Gopinath says.

Actress Ramya, who has been using ASW for about a year, says on a trip to Hong Kong recently, ASW members there took her around for shopping and eating out, "and I never felt alone". "In Dubai, I even got upgraded to a suite in the Madinat Jumeirah resort because I happened to have made friends with one of the directors of the resort on ASW," she says.

Sangeeth Varghese, founder of LeadCap that helps create small entrepreneurs, has found many on the network with whom he could intensely discuss his academic and business interests. "It's not the fleeting interest that you would see in people on regular online networks," he says. In December, Varghese initiated offline meetings of ASW members in Bangalore, and such meetings are now held once every month, where 30 to 50 people come together. A good number of members in India are expats.

ASW was launched in 2004. Since then, other exclusive online networks have emerged, such as Diamond Lounge and Square, though ASW remains the most popular. The challenge for such sites has been to be profitable even as they remain exclusive. Liotard-Vogt says he is focused on an advertising model. "I have got luxury brands like Cartier, Chopard, Mercedes and Dom Perignon to advertise on the site," he says.

## Some ASW members in Bangalore



**If I'm flying to New York and I need some advice about the place, I can interact with ASW members there and I know they can be trusted**  
Suhās Gopinath | ENTREPRENEUR



Sangeeth Varghese

**In Dubai, I got upgraded to a suite in the Madinat Jumeirah resort because I happened to have made friends with one of the directors of the resort on ASW**  
Ramya | ACTOR

**It's not the fleeting interest that you would see in people on regular online networks, says Varghese who initiated offline meetings of ASW members in Bangalore, and such meetings are now held every month**

## 'Corporate frauds on the rise'

**Mumbai:** With the overall incidence of frauds rising in corporate India, there is a need for India Inc to deal with fraud risks firmly, a report released here on Tuesday said.

"The overall incidence of fraud is rising in corporate India in the last two years," the KPMG fraud survey report 2010 said. Survey responses, specifically from the financial services and consumer markets industry segments, see a higher level of fraudulent activities within their industry. The survey indicates 'procurement' and 'sales and distribution' as the most vulnerable areas across industries susceptible to fraud risk.

"The need of the hour is for organisations to realise the importance of putting effective internal control mechanisms in place, so as to manage risks," KPMG forensic head, Deepankar Sanwalka, said. "Accountability is no longer restricted to a company as a whole but also streams down to each and every indi-

vidual. It has become imperative for companies to be vigilant and aware and not just act when fraudulent situations arise," he said.

Financial statement fraud emerges as a major issue for investors. An overwhelming 81% of the respondents of the survey perceive financial statement fraud as a major issue in India.

Ineffective whistle-blowing systems, inadequate oversight of senior management activities by the audit committee and weak regulatory oversight mechanisms are the reasons for the growing worries as well as the increase in the number of frauds that one can see in the industry today, the report said.

"Managing the risk of fraud is essentially no different to managing any other type of business risk. All that it requires is resilience to combat that fraud," KPMG forensic executive director, Rohit Mahajan, said.

Bribery and corruption

have come to be viewed as an inevitable aspect of doing business in India by many Indian companies, the report said. Almost 38% of the respondents believe that bribery is an integral feature of industry practises and is most rampant in seeking routine regulatory approvals and to win new business from prospective clients, it revealed.

According to 53% of the respondent companies, e-commerce and computer-related fraud will be a source of major concern in the coming years with supply-chain fraud, a close second followed by bribery and corruption and intellectual property fraud, the report said.

However, whatever be the type of fraud, 75% of the respondents indicate that, except intellectual property (IP) fraud, fraudulent activities were perpetrated by employees, reaffirming that the enemy within poses the highest risk, it said. AGENCIES

quisition will provide significant synergies and create value for shareholders," said Adi Godrej, chairman, Godrej group. "As an emerging market multinational, this acquisition is an important step in our global 3 by 3 strategy - presence in 3 continents - Asia, Africa and Latin America through 3 core categories - home care, personal wash and hair care. Over the last few years, we have been following a very disciplined and focused approach to identify acquisitions that represent a strong fit with our business, both strategically and operationally. We have also developed strong processes to manage and integrate these acquisitions," said Godrej.

The group is working with the Megasari team to take the company to the next level along with creating a platform for other Godrej products in Indonesia. A Mahendran, director, FMCG Portfolio Cell for the Godrej group, said: "Megasari Group fits in very well with our entrepreneurial culture and aspiration to become a global powerhouse in household insecticides. We will achieve this by leveraging our significant expertise in this space in related consumer markets that provide attractive growth prospects."

Megasari group's current management team will continue to be involved with the companies. The group will put in place a cross-functional team comprising current Megasari employees and Godrej's team from India. The cross-functional team will be led by Naveen Gupta who has spent eight years in Godrej Sara Lee's international operations. Three directors from Godrej group, including Adi Godrej, will also be inducted into the board of Megasari.



Adi Godrej