

Infosys, TCS buoyed by big contracts in Q2

Early investments, participation in clients' digital transformation seen as key drivers

TE RAJA SIMHAN

Chennai, October 16
The September 2019 quarter has brought good tidings for both Tata Consultancy Services (TCS) and Infosys. Both the firms reported a record Total Contract Value (TCV) — the size of deal struck with customers — of \$9.2 billion (combined). TCV reflects an IT company's ability to win large deals, including renewals. TCS reported a TCV of \$6.4 billion in Q2 — the highest in the last six quarters. Similarly, Infosys recorded a TCV of \$2.8 billion, the highest-ever for the company. Wipro has not provided the deal numbers. These numbers suggest that the environment is turning pos-

itive for the IT sector. Sanjeev Hota, Head of Research, Sharekhan by BNP Paribas, said that early investments, ability to stitch together large multi-service deals, and participation in clients' digital transformation journey are the factors that helped TCS win large deals. He added that Infosys had made incremental investments in people and digital capabilities in the previous year, which is yielding results now. Both Infosys and TCS are doing well in terms of deal wins. "We believe that this is a confirmation of the strong order booking for offshore IT services players as digital spending is becoming



Rajesh Gopinathan, CEO, TCS

mainstream and global corporates are investing in terms of their mid-office and back-office transformation," said an analyst at Emkay Global Financial Services.

Increased order intake
The analyst added: "The Tier-1 players have been talking about increased scope and size of deals over the



Salil Parekh, CEO, Infosys

past 18-24 months and the order intake numbers announced in September quarter are a validation of the same." TCS' CEO Rajesh Gopinathan shared the same view at a recent analysts call. "The strong order closure and deal pipeline is an indicator of our growing traction within the customer in-

novation spends. Our investments in research and innovation and our large portfolio of intellectual property are positioning us well to help customers scale up their innovation efforts," he said. Salil Parekh, CEO, Infosys, told analysts while discussing the financial results that client metrics remained strong with the company adding 96 new clients during the quarter. The number of \$50-million clients increased by 2 to 61, and the company won 13 large deals with the TCV of \$2.85 billion, which is the highest ever. "While a large part of this was renewals, these renewals solidify our position significantly in our existing client base. Large TCV is up by 75 per cent in the first half of 2019-20 over the same period last year," he added.

BSNL union for scrapping of gear maintenance deals to save funds

RAJESH KURUP
Mumbai, October 16

As an austerity measure, executives of the debt-laden Bharat Sanchar Nigam Ltd (BSNL) are ready to take over the maintenance of all equipment installed by the public sector unit (PSU). About ₹2,000 crore is spent unnecessarily on annual maintenance contracts (AMCs) covering equipment such as switches, engine alternators, small power plants and air conditioners, they say. With about 46,500 executives on its payroll, BSNL should avoid giving AMCs to external agencies and firms, the executives argue. The AMCs are also resulting in double expenditure for the company, which already has

adequate staff at the locations covered by the AMCs, sources close to the development told *BusinessLine*. The Sanchar Nigam Executives' Association (SNEA) had already written a letter to BSNL Chairman and Managing Director PK Purwar in this regard. "BSNL has taken decisions during last few months to reduce the expenditure by the field units on electricity payments, labour charges and vehicle charges, among others. Ban on all the capital expenditure almost stopped provision of new landline and Fibre-To-The-Home (FTTH) connections and leased circuits, among others," said the letter signed by SNEA General Secretary Sebastian K. The Annual Re-

pair Contract (ARC) entered into with the Centre for Development of Telematics should also be scrapped, it said, adding that BSNL executives are "well equipped" to maintain every equipment in the company's network. Earlier, the All Unions and Associations of BSNL (AUAB) called for a one-day hunger strike on Friday to protest against non-payment of September salary and seeking timely payment of salary every month. The unions will also hold lunch-hour demonstrations across all circles on the same day. Separately, the SNEA has called for relay hunger fasts from November 4-8 at BSNL's corporate office. The association will also resort to indefinite hunger fast from November 11 onwards without further notice, said sources in SNEA.



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Cognizant inks agreement to acquire Contino

OUR BUREAU

Chennai, October 16
Cognizant Technology Solutions entered into an agreement to acquire Contino, a privately-held technology consulting firm, which specialises in helping global 2,000 clients to accelerate their digital transformation by leveraging enterprise DevOps methodologies. The London-based Contino has around 350 employees globally with operations in the UK, US and Australia. Recognised as a global premier partner with Amazon Web Services, and with expertise in Microsoft Azure and Google Cloud Platform, Contino's consulting and engineering teams have completed over 200 enterprise engagements since 2014.

TRAI floats consultation paper on auction of third batch of private FM radio frequencies

OUR BUREAU

New Delhi, October 16
The Telecom Regulatory Authority of India (TRAI) on Wednesday floated a consultation paper to seek comments to finalise the methodology for setting reserve prices for the auction of the third batch of private FM radio frequencies, under the FM Radio Phase III policy. This comes after the Information and Broadcasting Ministry sought TRAI's recommendation on reserve prices for auction of radio frequencies in 283 cities to expand private FM radio across the country. This includes 23 existing cities where the government has auctioned private FM radio frequencies in the previous batches, while 260



Currently, 356 private FM radio channels are operational in the country

cities will see auction of private FM radio frequencies for the first time. Currently, 356 private FM radio channels are operational in India. With rising adoption of online platforms to listen to music and lack of in-built FM radio receivers in

many new smartphones, the regulator has sought views on the variables that should be looked at to determine the reserve price for the auction of the frequencies. With regard to the 23 existing cities, TRAI has sought the views of stakeholders on whether the highest bid price received for the auction of frequencies in a city in Phase-II should be continued to be used as the reserve price for the existing cities or some other methodology needs to be used for setting the reserve price. **Factors for pricing** As far as new cities are concerned, the regulator has sought views on whether variables such as popula-

tion of a city, per capita income, listenership of FM radio and per capita gross revenues of existing FM radio operators are adequate to determine valuation of FM radio channels and what additional variables should be considered for the same. The regulator added that to facilitate transition to digital radio broadcasting from analogue, the auction of the remaining frequencies should be done by permitting radio broadcasters to use any technology — analogue, digital, or both — for transmission. It has, therefore, sought views on whether private FM radio broadcasters should be permitted to broadcast multiple channels on a single frequency.

Fibre infra arm demerger done, says Voda Idea

PRESS TRUST OF INDIA

New Delhi, October 16
Telecom operator Vodafone Idea on Wednesday said that its fibre infrastructure undertaking has been demerged into its wholly-owned subsidiary Vodafone Towers Limited (VTL), after the completion of necessary sanctions and formalities. "...the scheme has become effective, and consequently, the fibre infrastructure undertaking of the company stands demerged from the company to VTL," Vodafone Idea said in a regulatory filing. This follows sanction of the scheme between the company and VTL for the transfer of the fibre infrastructure undertaking to VTL by way of demerger, and filing of the certified copy of the order with Registrar of Companies on October 15, 2019, it added.

Mindtree reports 34.5% drop in Q2 net profit at ₹135 crore

OUR BUREAU

Bengaluru, October 16
Mid-tier IT services company Mindtree has posted a 34.56 per cent year-on-year (YoY) decrease in net profit to ₹135 crore during Q2 of the current fiscal because of forex impact. The company's revenues grew 6.98 per cent to ₹1,934 crore. A top official said that last year, the company had a gain of \$6 million and that was a function of a quarter-on-quarter (QoQ) movement in forex rate. This quarter, the impact has been flat at a net profit level. "Also, there has been an year-on-year increase in remuneration and headcount, and part of that has not been fully compensated," the official said. L&T has a 60.06 per cent stake in Mindtree after it made a hostile bid for the company after one of its main investors,

the late VG Siddhartha, sold off his entire 20 per cent stake. Mindtree officials, over a conference call on Wednesday, said that the BFSI vertical has done well and added that the next two quarters will be better. "The deal pipeline is healthy and we are confident about adding more clients," said the official. Emkay Global Financial Services, in a note to the investors, said that it is surprised by yet another quarter of sharp decline in revenue productivity. "We are intrigued by the sharp decline in revenue productivity for the Q2. Attrition jumped up both on LTM (last twelve months) and quarterly annualised basis. We believe that the investor focus should be on understanding the overall growth/margin trajectory from the company."

TCS iON launches command centre to monitor exam venues in real-time

OUR BUREAU

Chennai, October 16
TCS iON, a unit of Tata Consultancy Services, on Wednesday inaugurated its Artificial Intelligence (AI)-driven Command Centre in Chennai. The centre at TCS's Sholinganallur facility can monitor on real time over 6,000 of its examination venues across the country. By layering a digital monitoring platform on the newly-developed physical infrastructure, TCS iON aims to provide a superior experience to exam administrators for the fair conduct of exams along with transparency of the exam operations, Venguswamy Ramaswamy, Global Head, TCS iON, told newsmen at the launch of the centre. Ramaswamy said that the centre monitors the exam



The centre can monitor over 6,000 exam venues across the country on a real-time basis

process through a set of over 150 parameters to prevent, predict and post incidents as alerts for efficient management of the exam and track movement and devices carried by every candidate at any exam centre via a live CCTV feed. It can also predict the readiness of the centre based on past incidents and the current live feed of events in the exam centre; issue alerts about any mal-

practice attempts based on the learnings from the malpractice patterns of the past; and track the readiness of all devices being used for conducting the exam by leveraging TCS' IoT framework. **Instant alerts** The centre is engineered to empower TCS iON and its customers to issue proactive automated directions for any observations that warrant immediate action, through instant alerts against anomalies like exam interruptions, unusual behaviour on server or candidate systems and the performance of devices being used for the exam process, he said. TCS iON helps education boards and recruitment bodies in conducting large-scale and high-stake examinations in India through its Digital Zones.

Blue Star bets on partnership with Kohli

OUR BUREAU

Chennai, October 16
Air-conditioning and commercial refrigeration company Blue Star is looking to boost its share in the room AC market with a new marketing strategy built around an advertisement campaign featuring Indian cricket team captain Virat Kohli and network expansion, among others. The company's new strategy assumes significance against the backdrop of increasing competition in the room-AC market with new players, reduction in the average age of buyers and the firm's plans to penetrate deeper across the country. The growth outlook for the room-AC market is also seen bright as the penetration in this segment hovers around just 5-6 per cent currently. The company, which forayed into the room-AC market in 2011, aims to increase its market share in the segment to 15 per cent by FY24 from 12.5 per cent now. Blue Star intends to garner



B Thiagarajan, MD, Blue Star

mass appeal cutting across geographies and demographics. The company expects Kohli's brand endorsement to help in the northern region of the country, to enable it to achieve its incremental sales and share targets. "Though 60 per cent of our sales come from tier III, IV and V locations, we have to get into many geographies and customer segments, reach out to institutions and individuals, and expand both digital and conventional channels," said B Thiagarajan, Managing Director, Blue Star, while announcing the firm's new advertisement campaign

with Kohli. "So it (the market) is getting complex and hence requires a different strategy to grow from 12.5 per cent market share to 15 per cent." The strategy will also include products across price points, expansion of exclusive stores from 200 to 250, and significant increase of e-commerce sales. Thiagarajan said that ad spend as a percentage of the company's revenue would not change despite the association with Kohli, with whom the company has a brand endorsement contract for 14 months. He said the festival season demand has been satisfactory due to the uptick in sales. The company is doing better than the market. "We estimate the market to grow 10-12 per cent and us to grow 15-17 per cent." In Q1 of this fiscal, the company recorded a growth of 25 per cent in the room-AC business compared with the industry's 22 per cent.



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With Events, LinkedIn goes 'offline' to help build contacts

OUR BUREAU

Mumbai, October 16
Networking platform LinkedIn aims to foster offline, face-to-face community building with the launch of LinkedIn Events, the first global product to be built out of the company's Bengaluru R&D centre. With Events, which enables members to create, share, and discover professional events, LinkedIn wants to help members nurture deeper professional relationships. According to data from the company, the chances of people accepting connection requests on LinkedIn double if they have attended a face-to-face meeting. Ajay Datta, Head of Product, India, LinkedIn, said that as the focus is on helping members connect and build professional relationships, the team realised face-to-face interactions are key to realising this vision. The Bengaluru R&D centre built the LinkedIn Lite Android app in 2017, which has been

rolled out in more than 70 emerging markets across the world and supports over 21 languages. The app crossed 10 million downloads on Google Playstore this October. Datta added that Events is the first 'made in India, for the world' product.

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NOTICE
Notice is hereby given that a Meeting of the Board of Directors of the Company will be held on Wednesday, the 30th October 2019 to consider the Unaudited Standalone and Consolidated financial results of the company for the quarter and half year ended 30th September 2019. The above notice is available on Company's website www.indianippon.com and on the Stock Exchange websites : www.bseindia.com / www.nseindia.com for **INDIA NIPPON ELECTRICALS LTD.,**
Chennai **G VENKATRAM**
16th October 2019. Company Secretary

Security solutions firm MyGate raises \$56 m in Series B funding

SANGEETHA CHENGAPPA

Bengaluru, October 16
MyGate, a start-up focussed on enhancing security in gated premises, has raised \$56 million in Series B funding. The investors include Chinese internet giant Tencent Holdings, US-based JS Capital LLC, Tiger Global Management, and existing investor, Prime Venture Partners. With this fresh funding, MyGate which has over 700 employees, plans to triple its workforce over the next two quarters, penetrate deeper into 11 cities that it operates in, and add over 15 million homes in 40 cities including Tier-2 cities, in the next 18 months. The start-up had earlier raised \$11.5 million in seed and Series A funding from Prime Venture Partners. "We started MyGate in 2016 to solve the real problem of security and inconvenience faced by households in gated communities by digitising

and automating their manual tasks. Today, we offer comprehensive solutions including digital logging of all entries and exits with complete visibility and control to the residents, e-intercom for automatic visitor authentication, child safety alerts, staff management, clubhouse access management, etc," said Vijay Arisetty, CEO and co-founder, MyGate. He added: "Our mission of simplifying urban living has just started and we are delighted to welcome marquee investors and business partners on board." Salil Seshadri, Chief Investment Officer, JS Capital LLC, said: "MyGate is a company with the rare ability to innovate for all of urban India on a single platform. We believe that their deep product focus and tech prowess will enable them to build solutions that bring positive gains to the entire ecosystem."

Google not to launch Pixel 4 smartphone series in India

MALA BHARGAVA

October 16
At its 'Made by Google' event held in New York, the tech giant unveiled the much-hyped Pixel 4XL and Pixel 4 smartphones, devices known for making the most of modest hardware specs and game changing cameras. The newly launched series, however, will not be made available in India as confirmed in a statement by the company. "Google has a wide range of products that we make available in different regions around the world. We determine availability based on a variety of factors, including local trends, and product features. We decided not to make Pixel 4 available in India. We remain committed to our current Pixel phones and look forward to bringing future Pixel devices to India." The Pixel 4 series comes with a new touchless interaction fea-

ture as a part of Google's 'Project Soli' a sensing technology that uses miniature radar to detect touchless gestures from motion tracking of the user's hand, for example. The phone can play or stop music with a hand swipe above the phone without touching it. It can also detect a user approaching the device and wake up or go into sleep mode when the user walks away. The Soli sensing technology is enabled by a special chip which incorporates the entire sensor and antenna array into an ultra-compact 8mm x 10mm package. **Sensor technology** Its use is based on the concept of virtual tools, which are gestures that mimic familiar real-world interactions with physical tools. For instance, a gesture like tap-

ping the thumb with the index finger will trigger an action, in the kind of interactions being developed by Google. Even though these controls are virtual, the interactions feel physical and responsive. "Feedback is generated by the haptic sensation of fingers touching each other. Without the constraints of physical controls, these virtual tools can take on the fluidity and precision of our natural human hand motion," according to Google's description of the feature. Google's Pixel phones are usually awaited eagerly because of their camera technology. Google has added a telephoto lens to the camera and enhanced its computational abilities to include better handling of shadows and highlights, night photography and excellent clarity with zoom.



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