

Why govt deals are high-stakes game for IT firms

Even as government projects aren't lucrative from a revenue perspective, companies fight with each other to bag the contracts

BIBHU BANJARI MISHRA
Bengaluru, 9 May

In late March, after its refurbished portal had received a flurry of complaints, Ministry of Corporate Affairs (MCA) Secretary Tapan Ray wrote a mail to Vishal Sikka, the CEO and MD of Infosys, the service provider for the project, to fix the snags.

Ray got a reply immediately, in which Sikka committed that Infosys would do everything possible to ensure that the technical glitches do not cause any inconvenience to the users. He also assured that he would get his best people to fix it.

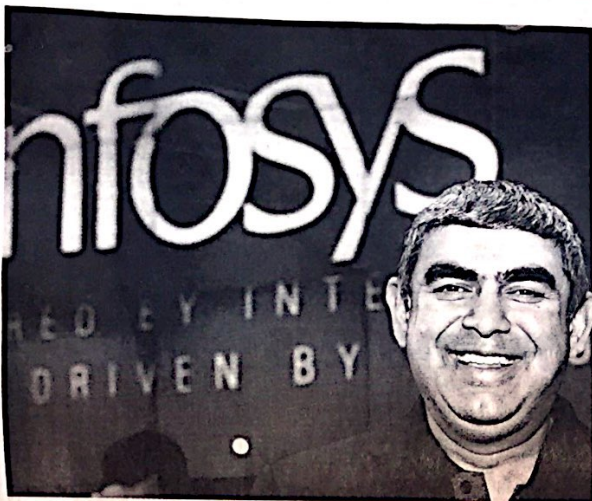
Though India is a small fraction (around 3 per cent) of Infosys' overall revenues, the quick action shows that the business is important for the company—important enough for the corner office to swing into action.

While both MCA as well as Infosys claim that the system has more or less returned to normalcy, the contract has brought to the fore many pressing issues that IT vendors usually face while serving the government.

None (or quite rarely) of the tech contracts from the government bodies is profitable. Most of the times, the project's scope and mandate are not well defined. Once signed, the project takes long to start. And during the course of the project, the service provider deals with a plethora of stakeholders at the ground level which often delays the process of knowledge and data transfer.

Besides, payments getting delayed are common. This sometimes aggravates the situation as the service provider, which often works as a system integrator, is required to pay up-front to its vendors for hardware, software and other technology requirements.

"Another big issue with the Indian government clients is that building consensus among their various stakeholders is a bit chal-



Infosys Chief Executive and Managing Director Vishal Sikka. Infosys, the service provider for the Ministry of Corporate Affairs, recently drew flak for glitches on the ministry's new website

lenging since they don't have processes, compared to multinational clients," says Sunil Padmanab, independent advisor and thought leader, Digital Transformation and Enterprise Applications.

The love for govt contracts
Still, IT companies, large and small, fight bitterly to win government contracts, which are awarded to the lowest bidder, and are often decided by a water-tight margin.

That's perhaps because government contracts are considered a great branding tool for companies; they can take credit for playing a

part in the digital transformation of India, impacting over a billion lives. It looks good on their CVs.

Take the case of Mindtree. In July 2010, the Bengaluru-based company won a contract from the Unique Identification Authority of India (UIDAI) to develop and maintain applications for the project. Even though it was quite small in size — worth just a few crores —, the company said it was more than just a contract for it.

"The UIDAI certainly has given us a lot of visibility. More than anything else, it has given tremendous confidence to the whole organisation,"

Krishnakumar Natarajan, executive chairman of Mindtree, had told *Business Standard* in an earlier interview. "We are of the firm belief now that even in large projects, where we have the competence, we can compete against the best in the world and win it."

Another factor, industry experts believe, that makes IT companies go after government contracts is that no other country in the world except China (not a market for Indian companies) can give the scale which can test the robustness of any system. That's the reason why India of late is often becoming the testing ground

GOVT CONTRACTS: THE TWO SIDES

The upside

- Gives a huge user base to vendors to test the ruggedness of their products and services
- Provides an excellent branding exercise for technology companies through association with prestigious projects with a national resonance
- These are fresh projects that require companies to build new IT platforms altogether. This means companies don't have to grapple with legacy systems
- Given the government's focus on Digital India and Make in India, there is a lot of business to be had in the sector
- Even as these projects aren't lucrative from a revenue perspective, they can be used to engage the benched staff of IT companies and de-risk revenues

The downside

- Government contracts aren't profitable
- Lead time to freeze contracts is longer; getting the projects off the ground is often delayed
- Requires vendors to work as system integrators, meaning they have to take end-to-end responsibility and invest up-front in procuring hardware and software from others
- Receivables for large Indian government clients never happen on time even if the delivery schedule is met
- Competition between players is intense as contract have to be bid for
- Ambiguity on project definition, tendency to change project terms during the course of the project add to complexity

"The UIDAI certainly has given us a lot of visibility. More than anything else, it has given tremendous confidence to the whole organisation"

KRISHNAKUMAR NATARAJAN, Executive Chairman, Mindtree



for many global as well as domestic technology companies.

Fast catching up

In comparison to many other large Indian and global IT services companies, Infosys started focusing on the domestic market quite late: it set up a separate business unit for it only in 2008. Since then, the company has bagged many marquee deals in the government sector and the private sector. Though the balance tilts towards the government, currently, Tata Consultancy Services (TCS) and IBM have the largest share of the

domestic IT market.

Infosys, however, is fast catching up. In the government space, the Bengaluru-based company has executed many projects including the contract to set up and manage the central processing centre of the Income Tax Department and a contract from India Post to enable it to offer banking services. Infosys has also bagged a five-year contract of around ₹1,380 crore to build and maintain the technology network for implementing the proposed goods and services tax in the country.

The MCA project came to Infosys in 2012 when the govern-

ment decided to replace the original vendor, TCS. The five-year contract, worth around \$50 million, required Infosys to fully automate all processes related to enforcement and compliance of the legal requirements under the Companies Act.

Infosys came in the line of fire after it came to light that the users were finding it difficult to do online registration or were facing inordinate delays. Infosys, however, said that the issue cropped up just a few days after the launch of the new portal for a few days and it has since then addressed it.

According to sources in the company, the problem happened primarily because of the lack of proper coordination between officials at various levels. "As is the case with most government contracts, whenever there is a change in the management, there is always resistance at the lower level, as happened in this case," say sources who do not want to be named.

In this case, the new system was meant to challenge the authority of the Registrars of Companies which had been enjoying unbridled power as the primary regulator for company-related matters.

In my view, whether in the public sector or the private sector, the application level developed by one vendor is taken over completely and revamped by another vendor, some transition challenges can crop up. But to call it a failure is very harsh," says Neel Ratan, Regional Management Partner (north & management consulting and government leader), Price Waterhouse.

Some experts, however, say that Infosys could have been more diligent on the execution side and the problems that surfaced could easily have been avoided by following some standard technicalities like performance testing or load testing.

TENDERS & NOTICES

INDIAN INSTITUTE OF TECHNOLOGY GUWAHATI
Guwahati - 781 039, Assam
Phone : 0361-2582104, Fax : 0361-2690761

Ref. No. IITG/MED/OUTSOURCE/NIT/2016
Date : 03.05.2016

Sealed tenders in a two bid system are invited for providing round the clock (i) HOSPITAL and (ii) PHARMACY services at IIT Guwahati, Guwahati - 781039, for a period of two years, from hospital/firm/agency having a minimum of 1 (one) year experience.

The Notice Inviting Tender (NIT) document is to be downloaded from IITG website. The duly signed and sealed Quotations are to be either sent by speed post/courier, or submitted by hand to the Asst. Registrar, Medical Section, IIT Guwahati, -781039 on or before 27th May 2016, 12 hrs. For detailed bid instruction, Tender document, and updates, if any, please visit our website www.iitg.ac.in/home/tender/19

ITG- Asst. Registrar (Med.)
Adv. No. IITG/MED/NIT/2016 Dated : 03.05.2016.

STEEL AUTHORITY OF INDIA LIMITED
Bhilai Steel Plant
Bhilai, Dist-Durg, Chhattisgarh, India 490001

Notice for ONLINE FORWARD AUCTION
Online Forward Auction (OLFA) is to be organized for sale of BF Slag Unprocessed on "As is where is" and "No complaint" basis on auction platform of M/s. Auction Services Ltd as per the schedule detailed below.

BF SLAG UNPROCESSED:
OLFA details:
FA-10140237 OLFA date & day
13.05.2016 FRIDAY

Details of above OLFA i.e lot nos., quantity, date of inspection, submission of EMD, location of material etc. shall be made available on website www.saltenders.co.in and www.metaljunction.com in due course of time.

Customers intending to participate in Online Forward Auction process for the above material may obtain the Forward Auction Documents from the offices of M/s. Auction Services Ltd. Detailed terms and conditions are available in the Forward Auction Document, which is also available on the website of SAII (www.saltenders.co.in) and Auction Services Ltd (www.metaljunction.com) which can be downloaded. - GM (Mtg & CS)

Advt No. BSP-41/16-17, Dt. 09/05/2016
Registered Office: Ispat Bhawan, Lodi Road, New Delhi 110 003
Corporate Identity Number: L37109X1973000454 Website: www.saii.co.in
There's a little bit of SAIL in everybody's life

RAISHREE
RAISHREE SUGARS & CHEMICALS LTD.
Regd. Office: The UDF, 338B, Anandpur Road, Gurgaon, Haryana
Tel: 01242 422222 Fax: 01242 251929
CIN: 14222ZT21989P001706
E-Mail: raishree@raishree.com
Website: www.raishreesugars.com

NOTICE
NOTICE is hereby given that the 15th Meeting of the Board of Directors of the Company is scheduled to be held on Saturday, the 28th May 2016 at the Registered Office of the Company to consider among other things, the audited financial results of the Company for the year ended 31st March 2016.

Please visit the website of the company as stated above and the website of stock exchanges www.bseindia.com & www.nseindia.com for further details.

For and on behalf of
RAISHREE SUGARS & CHEMICALS LTD.
R. PONRAJ
Place: Company Secretary
Date: 09 May 2016

Indian Overseas Bank (IOB) invites for the following:
RFR Reference Number: ITD/001/16-17 dated: 05.05.2016

REQUEST FOR PROPOSAL
FOR SMS AGGREGATOR IN INDIAN OVERSEAS BANK

The RFP document for the above is available in bank's E-Tendering service provider website www.tenderindia.com/IOB. For RFP details and for further amendments if any, keep referring to the above website.

H&B ESTATE DEVELOPERS LTD
Regd. Off: Plot No. 31, Extension 12th/11th Area, Sector-32, Gurgaon-122001, Haryana
CIN: 1499999199P000146

NOTICE
Notice is hereby given pursuant to Regulation 29 read with Regulation 47 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, that a meeting of the Board of Directors of the Company will be held on Thursday, 26th May, 2016, at 11:00 AM, at the registered office of the Company to consider and approve the Audited Financial Results of the Company for the last quarter and financial year ended 31st March, 2016. This Notice is also available on the website of the Company, www.hbstateltd.com and also on the website of the Bombay Stock Exchange (BSE) www.bseindia.com.

For H&B Estate Developers Limited
Date: 09.05.2016 Rajesh Singh Chaturvedi
Place: Gurgaon (Company Secretary)

VARDHMAN TEXTILES LTD.
Regd. Office: Chandigarh Road, Ludhiana-141 010.
CIN: L17111PB1973PLC003345, PAN: AABCMA692E
Website: www.vardhman.com, Email: secretarial.lud@vardhman.com

Audited Consolidated Financial Results for the Quarter and Year ended 31st March, 2016

Sr. No.	Particulars	Quarter ended 31.03.2016		Year ended 31.03.2016		Year ended 31.03.2015	
		(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)
1	Total Income from Operations (net)	1,702.68	1,720.43	1,715.58	6,723.27	6,862.20	
	Net Profit/(Loss) after taxes, minority interest & share of profit/(loss) of associates (before extra ordinary items)	159.44	147.95	109.27	578.62	400.21	
3	Net Profit/(Loss) after taxes, minority interest & share of profit/(loss) of associates (after extra ordinary items)	159.44	147.95	109.27	578.62	400.21	
4	Net Profit/(Loss) Share Capital (face value Rs. 10/- per share)	62.52	62.52	62.52	62.52	62.52	
5	Reserve (excluding Revaluation Reserve as per Balance Sheet of previous accounting year)				3,783.95	3,312.77	
6	Earnings Per Share (before Extraordinary Items)						
	(a) Basic	25.50	23.66	17.48	92.55	64.02	
	(b) Diluted	25.50	23.66	17.48	92.55	64.02	
	Earnings Per Share (after Extraordinary Items)						
	(a) Basic	25.50	23.66	17.48	92.55	64.02	
	(b) Diluted	25.50	23.66	17.48	92.55	64.02	

NOTES:
1. The above is an extract of the detailed form of Quarterly and Annual Financial Results filed with the Stock Exchange under Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The full form of the Quarterly & Annual Financial Results are available on the Stock Exchanges website i.e. www.bseindia.com and www.nseindia.com and also on website of the company www.vardhman.com.

2. Audited financial results of Vardhman Textiles Limited (Standalone Information)

Sr. No.	Particulars	Quarter ended 31.03.2016		Year ended 31.03.2016		Year ended 31.03.2015	
		(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)
1	Total Income from operations	1,435.54	1,444.80	1,448.74	5,660.69	5,687.15	
2	Profit/(Loss) on ordinary activities before Tax	276.28	181.11	138.36	864.64	489.27	
3	Net Profit/(Loss) on ordinary activities after Tax	217.49	128.31	90.20	653.05	359.11	

For Vardhman Textiles Limited
S.P. Oswal
Chairman & Managing Director
Date: 05.05.2016
Place: Ludhiana
Date: 09.05.2016

spice
SPICE MOBILITY LIMITED
(Formerly S Mobility Limited)
Regd. Office: 3rd Floor, Knowledge Park, 13A & 13B, Sector - 133, Noida - 201301
CIN: L72900UP1989PLC004461, Tel: 0120-33551331, Email: compliance@spicemobility.com
Website: www.spicemobility.in

NOTICE
Notice is hereby given that pursuant to Regulation 29 read with Regulation 47 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, a meeting of the Board of Directors of Spice Mobility Limited will be held on Wednesday, 18th May, 2016 to inter-alia consider and approve the Audited Financial Results of the Company for the quarter and financial year ended 31st March, 2016.

A copy of the financial results and the financial results after approval by the Board in the said Meeting, will be available on the website of the Company at www.spicemobility.in.

By Order of the Board
For Spice Mobility Limited
M.A. Bhatia
Date: 08.05.2016 Vice President - Corporate Affairs & Company Secretary
Place: Noida

POSSESSION NOTICE (For movable property) [Rule-6(1)]
Whereas, the undersigned being the authorized officer of the Bank of India, Malvi Mandir Branch under the Sanctionation and Reconveyance of Financial Assets and Enforcement of Security Act 2002 and in exercise of powers conferred under section 13(1) read with rule 8 of the security interest (enforcement) rule 2002 issued a Demand Notice No. MM.ADV.2015-16/001 dated 23-02-2016 calling upon M/s Anant Creations Pvt Ltd and guarantors - Mrs. Pustha Gaur, Mr. Khushinder Singh, Ms. Charu Gaur, Mohd. Javed to repay the amount mentioned in the notice being Rs. 2,22,27,356/- (Rupees Two crores Twenty two Lacs twenty seven thousand three hundred and fifty six) with interest @ 4.50% above Base Rate minimum 14.00% per annum with monthly rests within 60 days from the date of receipt of the notice; and

The borrower/guarantor having failed to repay the amount, notice is hereby given to the borrower/guarantor and the public in general that the undersigned has taken possession of the stocks, Plant & Machinery, Equipment etc. described herein below in exercise of the powers conferred on her under section 13(4) of the said Act read with rule 8 of the said rules on this 09th day of May 2016

The borrower/guarantor in particular and the public in general is hereby cautioned not to deal with the stocks, Plant & Machinery, Equipments etc. and any dealings with the stocks, Plant & Machinery, Equipments etc. will be subject to the charge of Bank of India, Malvi Mandir Branch, New Delhi for an amount of Rs. 2,03,70,480/- (Rupees Two crores Three Lacs seventy thousand four hundred and eighty four) and its accessories.

Description of the Movable property:
a) All movable Plant & Machines, Furniture and fixtures and misc. equipments.

(Anita Mathur)
Chief Manager - Authorized Officer
Date: 05.05.2016
Place: New Delhi

MRPL
MRPL Refers to the following:
INFORMATION TECHNOLOGY DEPARTMENT
CENTRAL OFFICE: 783, ANNA SALAI, CHENNAI - 600002

Indian Overseas Bank (IOB) invites for the following:
RFR Reference Number: ITD/001/16-17 dated: 05.05.2016

REQUEST FOR PROPOSAL
FOR SMS AGGREGATOR IN INDIAN OVERSEAS BANK

The RFP document for the above is available in bank's E-Tendering service provider website www.tenderindia.com/IOB. For RFP details and for further amendments if any, keep referring to the above website.

E-PUBLIC TENDER NOTICE

TENDER NO. / NAME OF WORK	TENDER PERIOD
1. 3300003712: Heat Exchangers/ Cooler / Air Coolers Opening, Cleaning and Testing for the forthcoming Shutdown in HCU Block and HYD 1 / B as per tender.	Sale of Tender document From 04.05.2016 to 02.06.2016, 15.00 hrs Bid closing date: 03.06.2016, 15.00 hrs Bid opening date: 03.06.2016, 15.30 hrs
2. 3300003747: Catalytic Change Out jobs in HCU 1 Reactors during forthcoming Shutdown as per tender.	Sale of Tender document From 04.05.2016 to 02.06.2016, 15.00 hrs Bid closing date: 03.06.2016, 15.00 hrs Bid opening date: 03.06.2016, 15.30 hrs
3. 3300003704: Sludge Suckling & Unloading by Using Super Sucker Vacuum Truck on day and Night Shift basis for 120 days during Monsoon Season as per tender.	Sale of Tender document From 04.05.2016 to 02.06.2016, 15.00 hrs Bid closing date: 03.06.2016, 15.00 hrs Bid opening date: 03.06.2016, 15.30 hrs
4. 3300003721: Internal and External Painting of Hot Gas Storage Tanks at OMS as per tender.	Sale of Tender document From 05.05.2016 to 03.06.2016, 15.00 hrs Bid closing date: 04.06.2016, 15.00 hrs Bid opening date: 04.06.2016, 15.30 hrs
5. 3300003748: Overhauling & Testing of Heat Exchangers and Fin Fan Coolers of CDU-1 Unit during shutdowns as per tender.	Sale of Tender document From 05.05.2016 to 03.06.2016, 15.00 hrs Bid closing date: 04.06.2016, 15.00 hrs Bid opening date: 04.06.2016, 15.30 hrs
6. 3300003355: ARC for Grass Cutting, Shifting and Disposal for Phase-1&2 Upper Platform, Phase-1&2 Lower Platform Area and Maintaining for one year period at MRPL as per tender.	Sale of Tender document From 07.05.2016 to 06.06.2016, 15.00 hrs Bid closing date: 05.06.2016, 15.00 hrs Bid opening date: 05.06.2016, 15.30 hrs
7. 3300003552: De-Silting and Drain Construction Work in Area 55,56 at MRPL as per tender.	Sale of Tender document From 07.05.2016 to 06.06.2016, 15.00 hrs Bid closing date: 06.06.2016, 15.00 hrs Bid opening date: 06.06.2016, 15.30 hrs
8. 3600000677: Procurement of Layer 2 Ethernet switches as per specification attached.	Sale of Tender document From 24.05.2016 to 02.06.2016, 15.00 hrs Bid closing date: 03.06.2016, 15.00 hrs Bid opening date: 03.06.2016, 15.30 hrs
9. 3000008721: Procurement of raw materials.	Sale of Tender document From 08.05.2016 to 07.06.2016, 15.00 hrs Bid closing date: 06.06.2016, 15.00 hrs Bid opening date: 06.06.2016, 15.30 hrs
10. 3000008538: Procurement of new tires, removal and fixing of damaged tires of second stage sour water stripper Area D-2399.	Sale of Tender document From 10.05.2016 to 08.06.2016, 15.00 hrs Bid closing date: 08.06.2016, 15.00 hrs Bid opening date: 08.06.2016, 15.30 hrs
11. 3000009001: Procurement of Clay for Mixed Nylon in 100 MT, for a period of one year.	Sale of Tender document From 05.05.2016 to 04.06.2016, 15.00 hrs Bid closing date: 04.06.2016, 15.00 hrs Bid opening date: 04.06.2016, 15.30 hrs
12. 300000874: Procurement of (a) Soda Ash, Dry, 33,000 kg (b) (c) (d) (e) Sodium Nitrate, Dry-100 MT, for a period of one year.	Sale of Tender document From 05.05.2016 to 05.06.2016, 15.00 hrs Bid closing date: 28.05.2016, 15.30 hrs Bid opening date: 28.05.2016, 15.30 hrs

Click on tender link. All correspondence, Amendments, Time extensions, Clarifications etc., to the tender will be posted in above website. together. Let us build a Clean India