

pany paid \$17.45 million in severance pay to former executives that left after the buy-out of Patni Computer by iGate.

Revenue for the quarter fell 3% to ₹822.14 crore from ₹847.66 crore in the previous quarter. Selling, general and administrative expenses for the quarter also rose 58% to ₹255.61 crore from ₹161.76 crore.

Murthy said that the integration of the two companies was on track.

compared with a gain of ₹24.32 crore in the previous quarter.

"Nothing went right for the company during the quarter. The top line is down, the bottom line is down and margins also took a hit. The cost structures of iGate and Patni Computer are different because of which staff salaries of the latter had to be brought on a par with the former in addition to annual salary hikes during the quarter," said Shradha Agrawal, an analyst

al tools for assessing risks using their relevance."

India survey is part of a one conducted by PwC, ra said.

lack of involvement by nal auditors in companies' h chart can make them red- ant, warns the "State of the nal audit profession study".

he survey reflects that on average only 6% of an inter- auditor's project time is be- pves, which is alarming," Be- said.

PROFESSIONAL TOUCH

Consultants, developers set up mall management firms

separate divisions to cater to the growing demand of managing malls.

Such companies commit to the developers assured revenue and occupancy. In a builder-operated mall, the space is usually pre-sold to investors and retailers and the mall owners are not involved in driving footfalls.

In the new business model, consultancy fees are typically linked to incentives based on key performance indicators such as occupancy levels and rentals, said Dutt. The change is a result of the mall developers' realization that the way a mall is managed has a direct impact on revenue and rentals.

"Professional management has a critical role to play to ensure the success of a mall. The combination of tenants and contracts is critical," said Richard Cuthbertson, research director, Oxford Institute of Retail Management, Said Business School, University of Oxford. He has been conducting research at the International Management Institute, Kolkata on the future of India's retail business.

"Organized retail is expected to add approximately 10 million sq. ft of new retail space spread

BY SAPNA AGARWAL
sapna.a@livemint.com

MUMBAI

More developers entering an increasingly crowded market are calling in experts to help them design and run their new projects. One such expert estimates that professional managers will be involved in every four out of five new malls that will open for business in the coming months.

Currently, one out of five malls is run by professionals, according to Sanjay Dutt, chief executive officer of Jones Lang LaSalle Property Consultants (India) Pvt. Ltd., a real estate consultancy services firm.

Quite a few firms, including Beyond Squarefeet Advisory Pvt. Ltd, Pioneer Property Zone Services Pvt. Ltd, Star Shopping Centres Pvt. Ltd and Prop Care, a division of real estate developer Mantri Group, are offering such services.

Even multinationals, including Jones Lang LaSalle Property Consultants, Knight Frank India Pvt. Ltd and CB Richard Ellis, which offer property consultancy, development and management services, are setting up

across 50 malls in the next two years. About 300 malls now make up the organized retail space in India, spread across 50 million sq. ft," said Anshuman Magazine, chairman and managing director, CB Richard Ellis.

India's largest retailer by market value, Kishore Biyani, is also dabbling in this space. His venture capital arm, Future Ventures India Ltd, has invested in Star Shopping Centres, a three-year-old company that manages malls.

Star Shopping Centres signs up a property for 18-24 years and takes the responsibility for the entire asset as a tenant, offering the developer a guaranteed rent. It is working on three projects

across 50 malls in the next two years. About 300 malls now make up the organized retail space in India, spread across 50 million sq. ft," said Anshuman Magazine, chairman and managing director, CB Richard Ellis.

India's largest retailer by market value, Kishore Biyani, is also dabbling in this space. His venture capital arm, Future Ventures India Ltd, has invested in Star Shopping Centres, a three-year-old company that manages malls.

Star Shopping Centres signs up a property for 18-24 years and takes the responsibility for the entire asset as a tenant, offering the developer a guaranteed rent. It is working on three projects

Aegis operates three liquid terminals—two at Mumbai and one at Kochi—port—with a combined storage capacity of 288,000 kilo litres. In 2010-11, it earned 48% of its operating profit of ₹57 crore from its liquid logistics division. It recently completed the acquisition of Shell Gas India's Pipavav facility.

Exchange, while the bellwether Sensex inched up 0.80%.

vayas.m@livemint.com

Deals India, published jointly by Mint, Dow Jones Newswires and The Wall Street Journal, is a one stop destination for investment professionals following deal flow, deals news, private equity and venture-capital activity in India.

ous year, he added.

Trafigura, which employs 6,000 across 44 countries, handles sourcing and trading of crude oil, petroleum products, renewable energies, metals, metal ores, coal and concentrates for industrial consumers.

In the oil sector, Trafigura has access to more than 45 million barrels of storage facilities.

ing, new malls are often being launched in close proximity to existing ones. Since they offer better experience and service, old malls run the risk of losing business. "A mall has to constantly evolve and upgrade service offerings to ensure footfalls and conversions," said Devangshu Dutta, founder of retail consulting firm Third Eye-sight.

"We have got a lot of enquiries for providing such services and are now setting up a mall management division for end-to-end services," said Rituraj Verma, national director, Knight Frank. His colleagues in Singapore are helping to set up the new wing.

To be sure, outsourcing mall management doesn't work for everyone. For instance, Select City Walk has built up its in-house capabilities after a failed experiment with an international mall operator. "We are learning as we proceed," said Arjun Khanna, director, Select City Walk mall, promoted by Select Infrastructure Pvt. Ltd. The international consultant struggled to manage expectations. "There are very few people who can run it with passion the way we do," said Khanna.

<http://online.wsj.com/public/page/deals-india.html>