



# Indian Economic & Business News

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## INDIAN ECONOMY

### **Government dilutes 25 per cent public float norms**

The government diluted the guidelines on public shareholding by lowering the minimum public float requirement for state-owned enterprises to 10 per cent against 25 per cent prescribed earlier. Besides, it provided freedom to private sector companies by dispensing with the rule that required entities with less than 25 per cent public shareholding to dilute at least 5 per cent stake annually. Under the new rules, government as well as private companies can raise the public shareholding level within three years without any annual floor. In the case of public sector companies, the move was pushed by the government. A 25 per cent equity dilution would have resulted in public sector companies selling shares at a lower or no premium, bankers said. Source: Business Standard

### **India to launch satellite to monitor sea levels**

India will launch a satellite next year to monitor sea water levels in collaboration with the French National Space Agency. The satellite, called Saral, will carry an altimeter (ALTIKA) for studying the sea surface heights and an ARGOS payload, which is a satellite-based data collection platform. "SARAL is a joint project of the Indian Space Research Organisation (ISRO) and the French National Space Agency (FNSA). The ALTIKA and ARGOS payloads are built and supplied by the French space agency. The satellite bus is under fabrication at ISRO, while the integration and testing of the payloads are ongoing at the French space agency. Source: The Hindu Business Line

### **Goods for mega power projects can be imported duty-free**

The conditions for grant of excise duty exemption for goods supplied to mega power projects have been amended. Now, the project developers, instead of the manufacturers, have been made liable to pay the duty in case they do not ensure that exempted goods are used only in their projects. Goods required for such mega power projects can be imported duty free. Locally produced goods, which are supplied to such projects, can be cleared without excise duty payment. Excise exemption notification number 6/2006-CE dated March 1, 2006 has three different dispensations for power projects. Source: Business Standard

### **IFC funding for green energy companies in India at \$10 million**

The contribution of renewable energy to the power business in India has now reached 70 per cent, compared to 10 per cent in 2000, according to an expert. International Finance Corporation (IFC) has provided finance for renewable energy to Indian companies such as Azure Power, Applied Solar Technologies, Auro Mira Energy, Husk Power Systems with total amount of facility up to \$10 million either through equity or debt. ADB has extended credit facility to green energy projects and its exposure to renewable energy segment through financing to private players is around 10 per cent of the total exposure in the segment. This includes funding for wind power, supercritical technology for the Ultra-Mega Power Projects, investment in the clean energy PE fund as an anchor investor and equity financing for joint ventures. It has extended the facility to the extent of \$1.5-2 billion annually since the last four years. Source: Hindu Business Line

### **SEBI tightens disclosure norms**

In a move that will help investors take better-informed investment decisions in the newly-listed entities, SEBI has directed companies to submit shareholding details to stock exchanges one day prior to the day of listing. SEBI has also amended the way depository receipts are disclosed as part of the shareholding pattern. Currently, unlisted companies disclose their shareholding pattern as part of their prospectus and submit it to the exchanges on a quarterly basis. In another decision, SEBI has directed companies to classify such holdings as 'promoter/promoter group' and 'non-promoter'. "In the quarterly shareholding pattern, the disclosure of shares held by custodians, against which depository receipts have been issued, shall be classified as promoter/promoter group and non-promoter," as per the release. Source: Business Standard

### **Ministry okays \$33.26 billion investment proposal in 3 PCPIRs**

In a major boost for investment in the petrochemical sector, the Ministry of Chemicals and Fertilizers has approved a proposal of investments worth \$33.62 billion in three regions under its flagship petroleum chemicals and petrochemicals investment regions (PCPIR) policy. Under the policy, this is the first status report on committed investments approved by an inter-ministerial high-powered committee. The investment includes \$9.64 billion for physical infrastructure development, and the rest is project-specific investments committed by various public and private companies in three PCPIRs- Visakhapatnam and East Godavari districts in Andhra Pradesh, Bharuch in Gujarat and East Midnapore in West Bengal. Investments in physical investments include a viability gap funding (VGF) by the finance ministry to the extent of 20 per cent in each PCPIR except for West Bengal. Source: Business Standard

### **M&A deals treble to near US\$ 50 billion from 2009 level**

India Inc's merger and acquisitions (M&As) have touched nearly US\$ 50 billion level from January-July 2010, over three times the total in 2009. M&A deals in 2009 were worth about US\$ 16 billion. According to data compiled by research firm VCCEdge, the M&A deal value increased by almost five-times to US\$ 5.4 billion in July 2010, up from US\$ 1.1 billion in July 2009. The cumulative M&A deal value so far in 2010 from January to July'10 has touched US\$ 49.7 billion, as compared to US\$ 16.3 billion in the whole of 2009. The number of M&A deals so far this year stood at 411. Indian companies announced 64 M&A deals in June 2010 with a total value of nearly US\$ 14.1 billion. March has been the biggest month in terms of M&A deals so far this year, which saw 72 deals worth a total of US\$ 14.35 billion..

Source: Business Standard

### **India accounts for 21 per cent of the global outsourcing deals in Q2**

The number of global outsourcing deals in quarter ended June 2010 rose by 6.6 per cent over the year ago period to touch 498 deals. The number of deals went up 12.1 per cent higher than the levels witnessed in the March quarter of 2010. The share of Indian service providers in transaction volumes stood at 21 per cent in April-June 2010. The business process outsourcing (BPO) market in the second quarter of 2010 saw annualized contract value (ACV) which is the total contract value divided by the duration of contracts, rose to US\$ 970 million in the quarter ended June 2010 as compared to US\$ 738 million in March quarter of 2010 and US\$ 658 million in the year ago. Source: Hindu Business Line

### **Colombia looks for Indian investments**

Business process outsourcing (BPO), information technology, biofuel, hospitality, packing and agro chemical would be some of the key areas where Colombia would look for Indian investments, according to a senior official from the Embassy of Colombia. Colombia would look at importing machinery and tools for its food processing, mining and agri-business segments from India. The Kalyani Group was scouting for a coking coal mine in Colombia. The bilateral trade between the two countries grew by about 109 per cent at \$813 million in 2009-10, against \$388 million during 2008-09. India's main exports to Colombia were motorcycles, auto parts, organic chemicals, pharmaceuticals and threads and cotton textiles. Colombia's exports to India jumped to \$449 million in 2009-10, from \$17 million in 2008-09.

Source: Economic Times

### **Centre approves \$78.36 million for National Highways in state**

The Centre has approved an outlay of \$78.63 million in 2010-11 for the development and upgradation of National Highways (NH) and other road infrastructure projects in Orissa, as per state Chief Minister Naveen Patnaik. While \$2.20 million would be spent on two laning and four laning of the NHs in the state, an expenditure of \$6.91 million would be incurred in building bypasses of the length of five km at Deogarh, Borigumma, Jeypore and Koraput. The feasibility study along with the preliminary project report and design has been completed for the four laning of the 165 km Rourkela-Sambalpur state highway. Source: Business Standard

### **RBI's paper on bank licences a welcome change: E&Y**

The Reserve Bank of India (RBI) released its long awaited discussion paper on what basis it should issue new banking licences. The big surprise in the paper was a fairly open and positive discussion on allowing corporate houses into banking, something the RBI has been opposed to. The other areas the RBI has thrown up for discussion are - what should be the minimum capital requirements, and promoter contributions, what should be the caps on promoter shareholding, how much foreign equity should be allowed, should NBFCs be allowed to convert into banks and finally what should be the business model for new banks. Corporate India has welcomed the discussion paper. Source: Economic Times

### **Indian IT firms top Europe survey**

Indian information technology (IT) service providers Cognizant, TCS and Infosys have topped the latest ranking of service providers in Europe, in a survey done by EquaTerra, an IT advisory service provider. In the Performance and Satisfaction (SPPS) study by EquaTerra for 2009-10, Cognizant has captured the first position, with a 79 per cent score. TCS and Infosys have taken the third and fourth position, with 75 per cent and 74 per cent scores, respectively. The second place was taken by US company, Compuctacenter, with 78 per cent. The study evaluates client satisfaction by surveying over 2,000 client relationships from 750 top IT spending organisations across Europe, covering 12 countries. The ranking covers 25 IT service providers in all. Cognizant topped the rankings in seven of the eight parameters the study focused on. Apart from Cognizant, TCS and Infosys, the other major IT companies to appear in the top 25 list are Wipro (15), Mahindra Satyam (17) and HCL (18).

Source: Business Standard

### **Manufacturing expands for the 16th consecutive month in July 2010**

India's manufacturing witnessed an increase in July 2010 on the back of new orders and better export demand, as per a private survey. The HSBC Markit Purchasing Managers' Index (PMI) went up to 57.6 in July 2010 from 57.3 in June 2010, marking 16th consecutive month of expansion in manufacturing. The factory output index of the PMI rose to a four-month high of 62.3 in July 2010, raising expectations of further expansion in India's manufacturing industry. PMI, a survey-based compilation of key manufacturing data, is considered a good leading indicator of manufacturing activity. An index level above 50 indicates expansion in manufacturing, whereas a PMI reading of below 50 indicates a contraction in manufacturing. The Centre for Monitoring Indian Economy expects Indian industry to start fresh projects that will entail an investment of about US\$ 140.6 billion in 2010-11. Source: Economic Times

### **PM pitches for \$120-billion investment in aviation**

Prime Minister Manmohan Singh said the government is working towards a regulatory and policy framework, which will be attractive enough to absorb investments worth \$120 billion in the aviation sector by 2020. Singh was speaking at the inauguration of the new airport terminal building - T3 - in Delhi, with a capacity to handle over 34 million passengers annually. Elaborating on how the inauguration of the new terminal would rewrite the history of Indian airports, Singh said Delhi airport has improved its ranks sharply in terms of service quality to 21 in 2010 from 101 in 2007. It is estimated that domestic traffic could reach 160-180 million and international traffic in excess of 50 million by 2020. Source: Business Standard

### **Government considering disinvestment in MMTC, SCI and MOIL**

The government is considering selling its stake in many companies including MMTC, Shipping Corporation of India, Hindustan Copper India Ltd and Manganese Ore India, through public offering as per Minister of State for Finance Namo Narain Meena. The Cabinet has already given its nod for government's stake sale in Coal India, Steel Authority of India Ltd, Power Grid Corporation and Hindustan Copper, while the government has already shortlisted merchant bankers to manage MOIL IPO. Aiming to raise \$8.61 billion through disinvestment this fiscal, the government has mopped up over \$215 million by divesting stake in Satluj Jal Vidyut Nigam, and around \$215 million through Engineers India FPO.

Source: Press Trust of India

## **INDIA - CANADA**

### **Lambda Therapeutic Research acquires CRO Biovail Contract Research Division**

India-based Lambda Therapeutic Research, a multi-national contract research organization (CRO) has acquired CRO Biovail Contract Research Division (CRD), which is now renamed as Lambda Therapeutic Research Inc. Biovail CRD, a CRO focused on early clinical trials, is a division of Biovail Corporation and has two research facilities in Toronto including six clinics with a total capacity of 186 beds for Phase I and bioavailability/bioequivalence studies. This deal is structured as an asset purchase agreement wherein Lambda will now have an independent business unit in Toronto. Biovail Corporation is a large publicly traded pharmaceutical company headquartered in Mississauga. Source: Economic Times

## SECTORAL NEWS

### **Jute park coming up near Vizag**

Andhra Pradesh Jute Development Centre Ltd (APJDC) has said, it has floated a special purpose vehicle for the establishment of a 'jute park' on a 200-acre site in the Vishakhapatnam district. In a letter to the Minister for Textiles, Mr Dayanidhi Maran, APJDC Vice-Chairman and Managing Director, Mr B.V. Rama Rao, said that the park has a potential to attract investments of \$107.64 million and provide direct employment to 20,000 people. It is expected that annual turnover will be in the range of \$43.05 million in initial stages, which will gradually increase to \$172.22 million during the fourth and fifth year of operation. Though the SP government has agreed for allotment of 50 acres of land, APJDC has asked for 150 acres more. It has also requested the Central Government for assistance of \$8.61 million under Special Integrated Textile Park (SITP). Source: The Hindu Business Line

### **New Zealand's Contact Energy, Wipro tie up for back-office project**

Wipro Technologies has been engaged by New Zealand's leading power company, Contact Energy, for a three-year project covering enterprise-wide software deployment and back-office offshoring. While both Wipro and Contact Energy have not given any financial information of the engagement, earlier reports in the New Zealand media have pegged the deal size at over \$50 million. Contact is partnering with Wipro Technologies for business process design and systems integration in addition to the provision of business process outsourcing services for some of Contact's back office retail processing function. Contact Energy generates 24 per cent of New Zealand's electricity and has the second largest market-share among the country's electricity retailers. Wipro will carry out the software development in India and Wellington, using a mix of its own staff, Contact Energy employees and local contractors. In addition, 60 back office retail processing jobs have been taken over by Wipro.

Source: The Hindu Business Line

### **Dr Reddy's launches biosimilar drug for anaemia treatment**

Dr Reddy's Laboratories Ltd. has launched Cresp, the first generic darbepoetin alfa drug in the world for the treatment of anaemia due to chronic kidney disease and anaemia due to chemotherapy. Darbepoetin alfa was first developed and launched by Amgen in 2001 under the brand of Aranesp. It will offer patients in India an improved treatment regimen at an affordable price. For the Hyderabad-based company, Cresp was the third biosimilar drug after Grafeel and Reditux. The company has a pipeline of another eight biosimilatr in the area of oncology and auto-immunity. Source: Hindu Business Line

### **RDA chief rules out changes in ULIP norms**

The Insurance and Regulatory Development Authority (IRDA) firmly rejected the need for any changes in its proposed guidelines on ULIPs (unit-linked insurance products) to be effective from September even as the industry has been voicing concern over the likely squeeze on profit margins. On the problems being faced by mediclaim policy holders following suspension of the cashless treatment facility by the four State-owned general insurance companies, the IRDA chief noted that the regulator would now go by the direction given by the Delhi High Court. Source: The Hindu

### **Tata Tele adds 2.3 Million new users; crosses 75 Million mark**

Telecom service provider Tata Teleservices Ltd (TTL) said it has crossed the 75 million subscriber mark, with the addition of 2.32 million new users in July. TTL, along with Tata Teleservices (Maharashtra) Ltd, has shown a subscriber growth rate of more than 100 per cent in the last 12 month from 38 million subscribers in July 2009. The company provides mobile and fixed wireless services using GSM technology across 22 telecom circles. TTL, 26 per cent owned by Japan's DoCoMo, and Tata Teleservices (Maharashtra) Ltd together operate in more than 450,000 towns and villages across the country, serving over 76 million subscribers. The Tata DoCoMo branded GSM network was launched in July 2009.

Source: Economic Times

### **NTPC to add 500 Mw unit to Kaniha**

The 3,000 Mw NTPC-Kaniha Power plant, the second largest power plant in the country, will be expanded with the addition of another 500 Mw unit, as per R S Sharma, chairman-cum-managing director, NTPC. Stressing that NTPC always attached importance on the peripheral development, he said, NTPC-Kaniha authorities have been directed to provide new roads in all its affected villages besides covering eight villages under its water supply scheme. He also suggested that the expansion work of the 460 Mw Talcher Thermal Power Station will be over in maximum five years. NTPC, at present, has a generation capacity of 31,000 Mw while work on another 18,000 Mw is in progress. The first 15 million tonne annual capacity coal mine will be operational by 2012. Source: Business Standard

### **SBI Capital set to launch \$21.52 Million SME fund**

SBI Capital Markets Ltd, the investment advisory arm of State Bank of India, is planning to float a dedicated small and medium enterprises (SME) fund with an initial corpus of \$21.52 million in the next one and half years. As SBI had many SME clients, this fund will provide them with critical capital for growth. SBI Capital Markets Ltd is also relying on advisory services and upcoming FPOs (follow-on public offers) to drive revenue growth this fiscal. Investment advisory services, which contributes close to 60 per cent of the total revenue, will see further fillip due to recent public float norm. Central government aims to generate \$9 billion worth of proceeds from disinvestment in the current financial year. Source: Business Standard

### **Hyundai to produce more cars for Indian market, cut exports**

Hyundai Motors India Limited (HMIL) said it will produce 70,000 more cars this year to meet the growing domestic demand. Currently, HMIL produces 600,000 units per annum at its two plants. The country's second largest car manufacturer is also seeking to reduce its exports by about eight percent as global car demands are slackening. HMIL, which exported 271,000 units last year to 110 countries across Africa, Europe and Latin America, has planned to reduce its exports by about 8%. Hyundai, which started operations in India in 1996, produces compact hatchbacks Santro, i10 and i20 and sedans such as Accent, Verna and Sonata. Source: India Abroad News Service

### **July car sales hit record**

Car sales in India recorded an increase of 38 per cent in July. A record 158,764 cars were sold last month, as per data from the Society of Indian Automobile Manufacturers (SIAM) India is one of the fastest growing automobile markets in the world. The country's automobile sector grew 35 per cent, on average, in the first four months of the current fiscal year, as per

SIAM data. Asia's third-largest economy is expected to grow 8.5 per cent this fiscal year. Sales of trucks and buses, a barometer of economic activity, rose an annual 37 per cent to 51,481 units in July. Motorcycle sales also increased by 30 per cent in July. Source: Reuters

### **GXS to make India major R&D hub    sectoral**

GXS, a global business-to-business e-commerce services provider, is planning to make India a major research and development (R&D) hub for the company by strengthening its R&D team through an addition to its workforce. The company, which enables real-time flow of information between businesses regardless of standards preferences, spoken language or geographic location, is also developing and designing a majority of its products in India as most of its clients enter emerging markets including India and China. It has 40,000 customers including 75 per cent companies in the Fortune-500 list. GXS India Technology Centre is one of the largest product development centre for the company. This centre is responsible for developing complete end-to-end solutions and products using latest internet technologies. Presently, two-third of the company's engineering works is being done in India, while the rest is done in the US and UK. Unlike most other global companies, GXS does complete product development in its India centre. Source: Business Standard

### **Kamaz Vectra to double capacity at Hosur plant**

Indo-Russian commercial vehicle joint venture Kamaz Vectra Motors plans to more than double its annual capacity to 12,000 units at its Hosur plant by 2012 to capture a bigger share of the fast-growing market in India. Currently, the company can assemble up to 5,000 units of heavy duty trucks at the plant per year. The decision to expand capacity was taken on the back of rising demand for heavy duty trucks in the domestic market. It plans to increase local sourcing from next year. The proposed expansion will allow it to export its right-hand-drive heavy duty trucks and trailers to markets such as Indonesia, Bangladesh and South Africa. India is the world's fastest-growing truck market with sales jumping 36% to 200,000 units for the year ended March 31, 2010 owing to high demand coming from new construction and infrastructure projects. Source: Economic Times

### **Marck Biosciences to launch Paracetamol IV in plastic packaging in India by year-end**

Ahmedabad based Marck Biosciences Ltd, manufacturer of sterile dosages, that has developed Paracetamol IV in plastic pack is looking at generating business worth \$430,570 from the new product. The company has developed Paracetamol IV in plastic pack using blow-fill-seals (BFS) technology with an investment of around \$64,585. It currently manufactures the product at its facility near Ahmedabad and has started exporting it to countries in West Africa last month. Paracetamol IV in plastic will have lower freight costs and breakages and help in more competitive pricing in comparison to glass bottles. Marck manufactures and markets a range of sterile dosages and also contract manufactures sterile dosage pharma products for leading pharma companies in India. Source: Business Standard

### **Mahindra Satyam ties up with Sybase**

Mahindra Satyam has signed an agreement with Sybase Software (India) Private Ltd, a subsidiary of the US-based enterprise and mobility software firm Sybase Inc, to provide secured enterprise mobility solutions to customers globally. Mahindra Satyam's solutions based on Sybase Unwired Platform (SUP) would help system integrators and independent software vendors develop, deploy and manage mobile applications. SUP supports a wide variety of popular mobile platforms. Source: Hindu Business Line

### **Gujarat plans solar park scheme to promote green energy**

The department of energy and petrochemicals will soon unveil Solar Park Scheme to facilitate the interested investors in solar power project. Armed with Solar Park Scheme following the enthusiastic response from the investors in signing solar power purchase agreements recently, the department is now learnt to have set even bigger targets. According to the renewed framework for capacity allocation, developers opting for solar photovoltaic platform will be given maximum of allocation 25 MW while investor opting for solar thermal technology will be given maximum allocation of 50 MW. Project developers will have to choose between the private land and government land under Solar Park Scheme. In order to prevent developers from speculations, the department will not allow investor any equity dilution for first five years. The project developers can sell their stake only to the technical partner. Source: Economic Times

### **JK Tyre to set up \$322 million facility**

JK Tyre & Industries Ltd. signed a memorandum of understanding (MoU) with the Tamil Nadu government for setting up a \$322 million greenfield facility at Sriperumbudur here. The facility would generate \$43 million every year and create 1,000 skilled jobs. Sriperumbudur is already home to a few auto majors, including Hyundai, and is also close to Oragadam, where Nissan, Daimler and others have set up their units. JK Tyres is planning to commence production by the end of 2011 and reach full capacity in the beginning of 2012. The plant will have a capacity of 5 million passenger cars and 600,000 truck bus radial tyres every year. The company currently has eight plants across the world, of which five are in India and three in Mexico. Source: Business Standard

## **FDI IN INDIA**

### **FII bet on debt; Jan-Aug inflows 8 times calendar 2009's**

Foreign institutional investors have increased investing in both debt and equity in India. FII inflows into India this calendar year to date have already exceeded inflows over the full calendar year 2009. Net FII inflows into the debt market have grown over eight times from little over \$1 billion in 2009 to \$8.25 billion in the first seven months of this year. Analysts attribute this to hardening interest rates and to an increase in the ceiling on FII investments in debt. Most emerging markets do not restrict FII participation in their bond markets as per market experts. Overall, market experts feel FII inflows into India this time around would be steady and sustainable. One only needs to wait and watch. Source: Hindu Business Line

### **FII pour \$11.1 billion into Indian stocks so far this year**

Foreign fund houses have invested \$11.1 billion in domestic stock markets so far this year, more than half of their record investment made in 2009. An analysis of the data with the capital market regulator SEBI showed that overseas investors so far in the current year are net buyers. They had made a record net purchase of \$17.95 billion last year. Analysts believe that the inflow is expected to continue in coming days also, as India is considered as one of the most favorite destination for FIIs among emerging economies. In June and July, FIIs made a total net investment of \$5.84 billion. FIIs play a significant role in domestic equity markets and their movement causes fluctuation in benchmark indices. FIIs had pumped in a record \$17.95 billion in 2009 into the domestic equities, but started exiting in early 2010.

Source: Press Trust of India

### **Kurl-on to invest \$32.29 million in Saudi, India plants**

After diversifying from sleep comfort to providing end-to-end home comfort solutions last year, Kurl-on Ltd will invest around \$32.29 million in the next couple of years on setting up three mattresses manufacturing plants, one in Saudi Arabia and two more in India. The company's aggressive plans are aimed at giving its expansion activities a definitive direction. It is repositioning itself as a player in India's huge home comfort industry. In India, where the company currently has five manufacturing units, it will establish two more plants with an investment of around \$19.37 million, to double its current production capacity. One of these plants will be in Bharuch district of Gujarat, where the company will invest \$12.91 million. Kurl-on is also planning to set up a new plant in the North-East, preferably in Assam, with an initial investment of \$6.46 million. Kurlon aims to expand its network to a total of 150 exclusive company-owned flagship showrooms, called "Kurl-on Nests", on a partnership or franchisee basis, and also 500 other outlets on the shop-in-shop model in the next three years.

Source: The Hindu Business Line

### **Acer launches netbook with Reliance's in-built broadband**

Acer, the world's second largest personal computer maker, has tied-up with Reliance Communications, to launch a netbook which comes embedded with wireless broadband. Acer's latest netbook comes with in-built Reliance Netconnect Broadband Plus services with a capability of offering high speed connectivity of up to 3.1 Mbps across 66 Indian cities. Priced at \$500 (taxes and levies extra), the Acer Aspire One532h comes with two months of complimentary usage of integrated and in-built Reliance NetConnect Broadband Plus worth \$50. The netbook is capable of running rich media applications like video conferencing, video streaming, electronic surveillance, online multi-player games and heavy file transfers.

Source: Business Standard

### **Indo-Japanese JV Terumo Penpol on expansion spree**

Medical equipment major Terumo Penpol, an Indo-Japanese venture that has the world's third-largest blood bag manufacturing plant here, has plans for major expansion over the next five years. As of now, Terumo would stick to its blood transfusion products in India. Globally, the company is known for its product range that includes heart-lung machines, cardio-vascular products and digital clinical thermometers. The company was targeting a business volume of \$26.91 million this fiscal and that the target was to reach a volume of \$107 million over the next five years. It had commenced operations under the name Penpol with a range of medical products. In 1999 it partnered with Terumo Japan to form Terumo Penpol. The company's expansion plans include a new manufacturing facility of global scale for blood bags, expansion of the medical equipment facility, and investment in R&D in India.

Source: The Economic Times

### **Japanese companies keen on investing in TN**

Japanese companies' keenness in Tamil Nadu has increased significantly, as per Mr Shinya Fujii, Director-General, Japan External Trade Organization (JETRO), Chennai. The number of Japanese companies in Chennai doubled to 170 by the end of 2009 over the previous year, he said, noting that the number would have risen to 200 by now. Sharp Corporation is interested in producing solar cell modules here, according to a press release issued in July. Sharp is producing 250 MW crystalline and thin film solar cells from its two plants in the US and the UK. The company intends to double capacity. Several of Nissan's suppliers are also interested in setting up shop in Chennai. Source: Hindu Business Line

## INDIAN INVESTMENTS ABROAD

### **RIL to buy 60% stake in US shale firm for \$392 million**

Reliance Industries (RIL) has agreed to buy its third shale-gas asset in the US in less than four months, acquiring a 60 per cent stake in acreages held by Carrizo Oil & Gas and its partner. The country's largest company by market value today said it would pay \$392 million for the stake in the Marcellus shale-gas areas of central and northeast Pennsylvania. RIL will pay \$340 million in cash and cover part of Carrizo's drilling costs over two years. The Marcellus Shale acreage is a 50:50 joint venture (JV) between Carrizo and ACP II Marcellus LLC, an affiliate of Avista Capital Partners. RIL will acquire 100 per cent of Avista's interest and 20 per cent of Carrizo's interest in the JV. The resource potential in the Carrizo areas is a gross 3.4 trillion cubic feet of gas, compared with 10 trillion cubic feet in the Pioneer areas. Shale gas is natural gas stored in organic-rich sedimentary rocks. It is considered an unconventional source, as the gas may be attached to organic matter. It accounts for 15-20 per cent of US gas production, but is expected to quadruple in coming years, triggering a scramble among producers, large and small, for access to resources. Source: Business Standard

### **CSL delivers platform supply vessel to US company**

Cochin Shipyard Ltd has delivered a platform supply vessel to Purple Fleet Ltd, an affiliate of Tide Water Marine International, US. The vessel, Trounson Tide, is the fifth platform supply vessel delivered this financial year and the 18th constructed and delivered by CSL so far. Trounson Tide is the second platform supply vessel being delivered to Tide Water Marine International this financial year besides the three delivered to Vroon Offshore Division. Cochin Shipyard is constructing 11 offshore support vessels for various foreign and Indian owners. These vessels are designed for satisfying the specific demands of transport of deck cargo, pipes, liquid cargo, cement, barite and unloading to rigs and production platforms and pipe laying barges. Source: The Hindu Business Line

### **Ruia group buys German tyre-maker**

Ruia Group has acquired German solid tyre manufacturer Gumasol-Werke Dr. Mayer GmbH & Co. Solid resilient tyres are used in industrial applications such as forklift trucks, sewage plants and industrial trailers. Gumasol has its manufacturing facility at Germersheim near Frankfurt. Its major clients include German defence, Euromaster and Titan Intertractor. Envisaging a rise in demand for solid tyres in the country and to take advantage of the cost arbitrage, the group plans to manufacture Gumasol products in India in future. The Ruia group controls domestic two-wheeler tyre majors Falcon Tyres and ailing Dunlop India. It owns the manufacturing and marketing rights of Dunlop-branded tyres in India. The group also has interest in the infrastructure sector through Jessop & Co. This is the group's third European acquisition and second in Germany. The previous acquisitions – the UK-based Schlegel Automotive Europe Ltd (acquired in 2008) and Germany-based Draftex Automotive GmbH (acquired in 2009) – are engaged in manufacturing automotive sealing systems and have Ford, Toyota, Nissan, Honda, BMW, Daimler, Audi and Volkswagen as clients.

Source: Hindu Business Line

### **Ashok Leyland wins order for buses from Sri Lanka**

Ashok Leyland has bagged an order for 1,000 buses from the People's Leasing Company in Sri Lanka, according to a press release from Ashok Leyland. The \$26-million order

represents Ashok Leyland's largest single order for buses from Sri Lanka. The delivery of the 'Viking' model buses, of 42-58 seats, is to commence immediately and is to be completed before March 2011. The order is being part funded by the Asian Development Bank. Ashok Leyland of the Hinduja group is a leader in the Sri Lankan bus market with sales of more than 8,000 over the past six-seven years. Source: The Hindu Business Line

### **Transgene Biotek acquires US-based Marillion**

Transgene Biotek Ltd has entered into an agreement to acquire Marillion Pharmaceuticals Inc, a US Oncology Biopharmaceuticals company based in Exton, Pennsylvania, in an all-share deal. The transaction would help to accelerate growth of the company business and broaden scope of drug development. Marillion Pharmaceuticals, a clinical stage biopharmaceuticals company, engaged in development and commercialisation of novel therapeutics in oncology, has presence in the US and manufacturing and licensing partners in the UK and Europe. The merger of the two companies and Marillion's products with Transgene's own drug pipeline are expected to create an oncology platform and products for the new merged company. Source: Hindu Business Line

### **CBS ties up with Australian B-school**

Chennai Business School has teamed up with Curtin Business School, Perth, for "enrichment and experience of knowledge between the two B-schools." Chennai Business School offers training in verticals including IT, retail, banking and financial services and international management. Curtin University is one of the largest universities in Western Australia with over 40,000 students and campuses in Sydney, Singapore and Malaysia. Source: Business Standard

### **Munoth partners Chinese phone-makers, launches S5 mobile phone**

With the Indian mobile handset market experiencing severe competition from China-made products, Munoth Communications Ltd. has adopted a strategy to garner a piece of action in the dynamic mobile phone industry. The city-based listed company has joined hands with mobile phone makers in China and Hong Kong to launch mobile phones tailored to the Indian requirements. These products include a mobile phone for senior citizens. This particular phone has a large key pad, bigger screen, torch-like switch, among others. It has a red SOS button on the back, which activates a loud siren, alerting passers-by to his plight. The application based phones would be targeted at the Rs. 1,400 to Rs. 4,000 price bracket.

Source: The Hindu

### **Macquarie SBI Fund buys 11% in Viom Networks for \$301 Million**

Macquarie SBI Infrastructure Fund (MSIF) has picked up a nearly 11 per cent stake in Viom Networks Ltd for. Viom is a leading independent telecom infrastructure company with over 37,000 towers and with over 80,000 tenants. MSIF is a joint venture between Macquarie Capital and State Bank of India (SBI). In 2009, Quippo Telecom Infrastructure Ltd (QTIL) tied up with Tata Teleservices (TTSL) and the merger of their passive infrastructure business resulted in the formation of a unified entity--Viom Networks. Tata Teleservices will now hold a 54 per cent stake in the company, while the rest 46 per cent will be held by QTIL's promoter group, the Kanorias of SREI Infrastructure Finance Ltd, IDFC, Oman Investment Fund, GIC-Singapore and MSIF. Viom plans to roll-out over 20,000 towers in next two years which will more than double its tenancy ratio. Source: Economic Times

### **Indian law firm forms ventures with UAE, Saudi counterparts**

In a first of its kind venture, an Indian corporate law firm has tied up with its counterparts in UAE and Saudi Arabia seeking to leverage the fast growing India-Gulf trade, investment and people-to-people ties. The Indian law firm Kochhar & Co has formed separate joint ventures with the Law Offices of Mohammad Issa Odeh (MIO) in UAE, and with the Law Offices of Khalid Alnowaiser in Saudi Arabia. Incidentally, India is the largest trading partner of the Gulf Cooperation Council that includes Saudi Arabia and the UAE. In 2008, India-GCC trade crossed \$91 billion. Saudi Arabia is India's fourth-largest trading partner with bilateral trade at over \$25 billion. Besides, over four million Indian workers in the Gulf, including about two million in Saudi Arabia, remit to India around \$5 billion annually. Source: Hindu Business Line

### **Adani buys Aussie coal assets in \$2.7 Billion deal**

India's biggest coal importer, Adani Enterprises, has acquired the Australian coal assets of Linc Energy in a cash and royalty deal worth \$2.7 billion. This would be the largest single investment by an Indian company in Australia and a second coal acquisition abroad for Adani. It owns a coal mine on Indonesia's Bunyu Island that produces six million tonnes per annum (mtpa). Adani will pay \$452 million in cash and \$1 per tonne in royalty for the first 20 years of production from the mine in Galilee Basin of Queensland state. Australia's Foreign Investment Review Board has approved the deal and the provisional Queensland government has given "an indicative approval". The Galilee tenement has a thermal coal resource of 7.8 billion tonnes, making it the largest single tenement in Australia. Adani estimates an annual production of 50 mtpa from the mine. Source: Business Standard

### **Apar Group ties up with Neat Energy for solar plant**

Mumbai-based Apar Group announced a partnership with Neat Energy, Inc., US, to set up a solar power generation facility of up to 40 MW near Bhuj in Kutch district, at an investment of up to \$129 million. Initially, the company would set up a 5 MW solar photovoltaic plant expending \$12.91 million, which would be subsequently scaled up. Apar Corporation Pvt. Ltd. signed the letter of intent with Neat Energy to build a 5-MW solar photovoltaic power plant near Bhuj. The company plans to acquire land on the Bhuj-Bhachau road in Kutch district and the installation of solar power equipment will be completed in 18 months thereafter. In November 2009, Apar Corporation and Neat Energy had set up a trial unit of about 80 KW at a farm near Mumbai, which has yielded good results even during the current MONSOON. Source: Hindu Business Line

### **ONGC-Mittal plans 180,000 bpd Nigeria refinery: Minister**

ONGC Mittal Energy Ltd is looking to build a 180,000 barrel-per-day (bpd) refinery in Nigeria, India's oil minister Murli Deora said on Tuesday. OMEL, a joint venture of state-run Oil and Natural Gas Corp and the Mittal Group, operates two deepwater exploration blocks - OPL-279 and OPL-285 - in Nigeria, Deora told lawmakers in a written reply. OMEL's steering committee, which helps identify economically viable projects in the African nation, in January approved setting up a 180,000 bpd refinery to export petroleum products using Nigerian crude as a feed stock, he said. On July 22 the steering committee approved a plan to carry out a detailed feasibility study on the project, he added. Source: Indian Oil and Gas Press Release

### **Aban Offshore gets Rs 22.85-billion contract from Petrobras**

Aban Offshore Ltd has informed BSE that the company has signed a contract with Petrobras, Brazil for the deployment of the drillship Aban Abraham offshore Brazil for a firm period of five years. The estimated revenue from the deployment is about \$494 million plus a potential 3.85 per cent performance bonus. The deployment is likely to commence during the fourth quarter of calendar year 2010. Source: Indian Oil and Gas Press Release

## **FORTHCOMING EVENTS IN INDIA**

**Bengaluru Space Expo 2010 (August 25-28 at BIEC, Bengaluru):** will be showcasing the latest technological advancements, related products and technical services while providing a platform for space agencies, specialists, entrepreneurs and eminent people from the space industry to display their visions. ([www.cii.in/Events.aspx](http://www.cii.in/Events.aspx))

**ASSOCHAM's 2nd International Summit on Processed food, Agribusiness and Beverages (September 15-16 at Hotel Oberoi, New Delhi):** shall provide a window of opportunity for business to business interaction among industries, technology providers and various countries. It would be the singular opportunity to meet senior industry representatives and interact with international buyers, exporters and experts from around the world. ([www.assochem.org](http://www.assochem.org))

**International Arogya Fair (Sept. 18 – 21, 2010 at Pragati Maidan, New Delhi):** is a trade fair focused on ayurveda, homeopathy, naturopathy systems of medicines, acupuncture and acupressure alternative therapies, anti aids, cancer, yoga, meditation. Major pharmaceutical companies participate and exhibit the products. ([www.tradeshowalerts.com](http://www.tradeshowalerts.com))

**Green Building Congress 2010 (October 6-9 at Chennai Trade Centre):** The objectives of the Green Building Congress are to showcase Green Building Products /Technologies / Services, network and promote business opportunities and facilitate market transformation. Over 2000 delegates from the construction industry are expected to attend this conference.150 exhibitors would participate, which would attract about 7500 visitors. ([www.cii.in/Events.aspx](http://www.cii.in/Events.aspx))

**Food and Bev Tech 2010 (October 29-31 at Mumbai Exhibition Centre):** Last year over 8000 business professionals visited the event. The Ministry of Food Processing, Government of India also actively participated in this event. 100 companies from India and foreign companies with their Indian partners exhibited at this event. ([www.cii.in/Events.aspx](http://www.cii.in/Events.aspx))

**10th International Mining & Machinery Exhibition: (Nov 10-13 at Salt Lake Stadium Grounds, Kolkata):** Last year this international event witnessed participation of 200 exhibitors from 15 countries. The main areas of focus were minerals and mining, earthmoving and construction equipments and metals. ([www.cii.in/Events.aspx](http://www.cii.in/Events.aspx))

**India International Trade Fair (November 14-27 at New Delhi):** has emerged as one of the leading events in the entire Asian region. Products being exhibited are Coir Products, Jute, Textiles, Garments, Household Appliance, Kitchen Appliances, Processed food, Beverages, Confectionery, Drugs, Pharmaceuticals and Chemicals. ([www.eventeeye.com](http://www.eventeeye.com))

**International Trade Expo-PITEX 2010 (December 8-12, 2010 at Amritsar):** The PHD Chambers of commerce and Industry is organising the “International Trade Expo-PITEX 2010. The Expo offers opportunities to Industry, Entrepreneurs and Corporate to showcase their vast potential and sell their goods. The event would render an integrated approach to serve as a generator of economic growth and development and to help achieve the overall economic development objectives. ([www.pitex.co.in](http://www.pitex.co.in))

**IMMA Stone Fair 2011 (17-20 February, 2011 at Chennai Trade Centre):** The India Monument Manufacturers Association is organising this fair. The fair will present opportunities for buyers and sellers of monuments, machineries, accessories, tools, handling equipment, etc. and provide an ideal platform to exchange views and to interact with industry people, share latest developments and technology pertaining to monument industry. ([www.immaonline.com](http://www.immaonline.com))

**INDIASOFT 2011 (March 23-25, 2011 at Marriott):** The Electronics and Computer Software Export Promotion Council (ESC) is organising the “INDIASOFT 2011”.It will be showcase India’s tremendous potential in IT services and solutions. The event will sharply focus on Embedded Software, E-Governance, Software Services and IT Enabled Services and many more innovations taking place in India. ([www.indiasofrt.org](http://www.indiasofrt.org))

**Aahar International Food Fair (August 27-29, 2011 at Chennai):** is a prominent trade show which has food, processed food, hotel & restaurant equipment & supplies on display. ([www.indiatradefair.com](http://www.indiatradefair.com))

## BUSINESS OFFERS FOR CANADIAN COMPANIES

1.	Shree Extrusions Ltd. Jamnagar Mobile: +91-93746-45775 Email: <a href="mailto:exports@shree-extrusion.com">exports@shree-extrusion.com</a> Website: <a href="http://www.shree-extrusion.com">www.shree-extrusion.com</a>	Manufacturers of Extruded Copper base alloys
2.	Kuzins Overseas New Delhi Mobile: +91-99990-06767 Email: <a href="mailto:kuzinsoverseas@hotmail.com">kuzinsoverseas@hotmail.com</a>	Manufacturers and suppliers of Decoratives / Antique Reproductions / International Quality Promotional
3.	Vaishnavi Enterprises Chennai Phone: +91- 044-042071008 Email: <a href="mailto:singaravelusk@yahoo.com">singaravelusk@yahoo.com</a>	Exporters and manufacturers of t-shirts for men and women
4.	Priyanka Welfare Society Howrah, West Bengal Mobile: +91- 98318-56706 Email: <a href="mailto:pws_ind@yahoo.com">pws_ind@yahoo.com</a>	Manufacturers and exporters of jute footwear
5.	IAG Company Limited Kolkata Phone: +91-33-2212-0035 Email: <a href="mailto:export.iag@gmail.com">export.iag@gmail.com</a>	Manufacturers of figured glass
6.	Madan Mohan Engineering Works Jaipur, Rajasthan Mobile: +91-93140-41895 Email: <a href="mailto:mmbcages@gmail.com">mmbcages@gmail.com</a>	Manufacturer and bulk suppliers of ball bearing cages, retainers, dust shields and sheet metal components

7.	ASK Apparels Tamil Nadu Mobile: +91-97891-90478 Email: <a href="mailto:jsubbu.askaparels@gmail.com">jsubbu.askaparels@gmail.com</a>	Manufacturers of home textiles, currently supplying to Pier 1 Import USA, Dollar Tree USA, Winners Stores USA and APEX
8.	Hurtle Gems Jaipur, Rajasthan Phone: +91- 98290-62345 Email: <a href="mailto:hurtlegemsindia@gmail.com">hurtlegemsindia@gmail.com</a>	Manufacturers and suppliers of precious and semi precious gemstones, sterling silver jewellery
9.	Suresh Chand Vijay Kumar Jaipur, Rajasthan Phone: +91- 141-2324935 Email: <a href="mailto:sureshchandvijaykumar20033@gmail.com">sureshchandvijaykumar20033@gmail.com</a>	Manufacturers, suppliers of spices, mint, mint powder and snacks
10.	Hurtle Gems Jaipur, Rajasthan Phone: +91- 98290-62345 Email: <a href="mailto:hurtlegemsindia@gmail.com">hurtlegemsindia@gmail.com</a>	Manufacturers and suppliers of precious and semi precious gemstones, sterling silver jewellery
11.	Globe Retail Tamil Nadu Phone: + 91-456-227-4562 Mobile: +91-96008-74941, 96008-74938 Email: <a href="mailto:globeretails@gmail.com">globeretails@gmail.com</a>	Large retail chain dealing in furniture, housewares, home furnishings, jute and coir products, toys, games and sporting goods
12.	Nathubhai Cooverji & Sons Mumbai Phone: +91-22-2348-1775, 2348-2982 Mobile: +91-98332-23669 Email: <a href="mailto:ncsons@gmail.com">ncsons@gmail.com</a> Website: <a href="http://www.ncsons.com">www.ncsons.com</a>	Exporters of agricultural and other food items such as fenugreek seeds, turmeric powder, foodgrains, spices and pulses
13.	Sanjay Plastics and Industrial Service Rajasthan Phone: +91-744-2363330, 2365207 Email: <a href="mailto:info@sanjayplastics.com">info@sanjayplastics.com</a> Website: <a href="http://www.sanjayplastics.com">www.sanjayplastics.com</a>	Manufacturer, Suppliers and Exporters of Textile Weaving Machinery Spare Parts
14.	Sagar Exports Mumbai Phone: +91-22-2878-2681 Email: <a href="mailto:expsagar@gmail.com">expsagar@gmail.com</a>	Suppliers of Stainless Steel Flatware and Kitchen Utensils