



Indian Economic & Business News

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INDIAN ECONOMY

India's economic growth to remain robust: UN report

India's economic growth is expected to remain robust in 2012 and 2013, despite likely headwind of double-dip recessions in Europe and the US. This has been highlighted in the World Economic Situation and Prospects 2012, as per the United Nations' annual economic report. Indian economy is expected to grow by between 7.7 per cent and 7.9 per cent this year, the report said. South Asia's economies are expected to grow by 6.7 per cent this year and 6.9 per cent next year, accelerating slightly from 6.5 per cent last year. Robust domestic demand will sustain this increase (in South Asia), but the economic slowdown in India, where growth declined from 9 per cent in 2010 to about 7.6 per cent last year, brings down the regional average, the report said. Among the major developing countries, growth in India and China is expected to remain robust. Brazil and México are expected to suffer a more visible economic slowdown. Source: Hindu Business Line

Budget 2012 to herald changes in line with planned GST

The finance ministry is likely to introduce a slew of measures in the budget to prepare the ground for the proposed goods and services tax that is yet to be approved by the states. The indirect tax reforms are expected to withdraw some fiscal stimulus measures, raise excise on diesel cars and cigarettes and switch over to a negative service tax list. This would help the government align taxes with a unified GST, the country's most comprehensive indirect tax reform, and also raise additional revenue. The finance ministry may opt for a gradual increase in excise rates because of the current slowdown even though policymakers say that the fiscal stimulus should be fully withdrawn. After the 2008 financial crisis, the government had cut excise duty from 14% to 8% and service tax was brought down to 10% from 12%. The steadily widening gap between the price of petrol and diesel has led to a spurt in demand for diesel-run vehicles, increasing the government's subsidy burden. The petroleum ministry and some sections within the finance ministry strongly support a higher excise on diesel cars.

Source: Economic Times

Pranab pitches for foreign investment in infrastructure

Pitching for foreign investment in the infrastructure sector, which needs \$1 trillion in the 12th Five Year Plan, Finance Minister Pranab Mukherjee asked U.S. investors to access the Indian debt market through a mechanism of regulated entities with a sustained long-term interest rate. Mr. Mukherjee assured them that India had evolved a transparent and stable regulatory regime in sectors such as electricity, telecommunications, ports, airports, petroleum and natural gas, and that a regulator for the coal sector was on the anvil. Mr. Mukherjee said that India had recently liberalised foreign participation in the debt-equity market by allowing foreign investors to invest in the Indian equity directly. Source: The Hindu

India signs international tax treaty

India has signed the Multilateral Convention on Mutual Administrative Assistance in Tax Matters, a multilateral agreement that promotes international cooperation while respecting the rights of taxpayers. This will send a strong signal that India and the other 31 signatory countries have joined hands to ensure that individuals and multinational enterprises pay the

right amount of tax, at the right time and in the right place. The Convention provides for administrative cooperation among the parties in the assessment and collection of taxes, with a view to combating tax avoidance and evasion, according to a statement by the Organisation for Economic Cooperation and Development (OECD). The Convention was signed by Sanjay Kumar Mishra, Joint Secretary, Foreign Tax and Tax Research Division, Department of Revenue, in the presence of Deputy Secretary-General of OECD Rintaro Tamaki. This instrument hitherto available for members of the OECD and the Council of Europe was amended in 2010 and made open for all countries in June 2011. Source: The Hindu

World Economic Forum Davos 2012: UK focused on trade ties with India, says David Cameron

European leaders seem to be edging closer to a consensus on finding a solution to the Euro zone crisis, UK Prime Minister David Cameron said. "From what Ms Merkel said, and from my sense, our message for the rest of the world is that we seem closer to a solution," Cameron said. He also said that he's expecting to host Prime Minister Manmohan Singh in London later this year, which will be the first visit by the Indian Prime Minister, to the UK since Mr. Cameron came to power. India was one of the first countries Cameron visited after taking over as UK Prime Minister. "India is growing, while Europe is not, but in Britain we are very focused on the India trade relationship," Cameron said. David Cameron highlighted the fact that Britain is "open for business" and committed to promoting business and enterprise, despite the austerity cuts. Source: Economic Times

India emerges as a strong investment destination at WEF meet

As the annual World Economic Forum summit closes on January 31st, the India story has emerged even stronger with the business world appreciating the country's fine balance between democratic processes and economic growth. A few even foresee the possibility of the country hosting a Davos-level congregation of the world's rich and powerful at some point in the future. S&P President Douglas Peterson said that the agency has an investment grade rating on India, with a stable outlook and the country is more likely to improve further on this. Apparently, impressed with the positive discussions about India, Peterson went on to say that it was quite a refreshing change that the talks have moved away from the European crisis to India at DAVOS. Source: The Hindu

India's global merchandise trade to touch \$750 billion in FY'12

India's merchandise trade is on way to touch USD 750 billion in the current fiscal, accounting for 68 per cent of the country's USD 1.1 trillion economy which is fast integrating with the rest of the world. "We are on course, when it comes to India's overall trade, the two-way trade crossed USD 600 billion last year and must cross, as per my assessment, USD 750-760 billion, that is excluding trade in services," Commerce and Industry Minister Anand Sharma said. In the nine-month April-December period, the outward shipments aggregated USD 217.6 billion with year-on-year growth of 25.8 per cent. Likewise, growing by 30.4 per cent imports were USD 350.9 billion in the same period. "If you get USD 80 billion exports in the remaining quarter (January-March, 2012), you are looking at close to USD 300 billion and imports may touch about USD 460 billion," Commerce Secretary Rahul Khullar said.

Source: Economic Times

India's FY'12 exports to be in range of \$280-300 billion: Government

The government said the country's exports will "comfortably" reach USD 280-300 billion by the end of the current fiscal despite economic uncertainty in Europe and the US. During the April-December period, India's exports aggregated to USD 217.6 billion, a year-on-year growth of 25.8 per cent, owing to a surge witnessed in the early months of the fiscal. "We will be comfortably (reaching) at the mid part of USD 280-300 billion," Minister of State for Commerce and Industry Jyotiraditya Scindia said. He also said India imports about 70 per cent of its oil requirement and 50 per cent of its gas requirement. A larger increase in imports in comparison to exports pushed up the country's trade deficit to USD 133.3 billion during the first nine months this fiscal. Source: Economic Times

RBI keeps repo rate unchanged, cuts CRR by 50 bps

Reserve Bank of India injected \$6.47 billion into the system by lowering the Cash Reserve Ratio (CRR) by half-a-percentage point but kept the short-term lending rate (repo) unchanged in view of persisting inflationary concerns. "Based on the current inflation trajectory, including consideration of suppressed inflation, it is premature to begin reducing the policy rate," RBI Governor D. Subbarao said. With additional liquidity by CRR cut, there is a possibility that banks may reduce the interest rate to attract borrowers. Projecting a lower growth of 7 per cent for 2011-12, the Reserve Bank said the policy actions are meant to "mitigate downside risks to growth" and anchor inflationary expectations. The CRR, the amount of deposits the banks are required to keep with RBI in cash, has been reduced to 5.5 per cent from 6 per cent with effect from January 28, releasing \$6.47 billion in the system to ease the liquidity problems. The short-term lending rate (repo) has been kept unchanged at 8.5 per cent. Source: The Hindu

Tax information exchange pact signed with Macau

India will soon be able to get banking information from Macau for tax administration purposes. A tax information exchange agreement to this effect was recently signed with Macau, a special administrative region of China, a senior Finance Ministry official said. The pact was signed by Mr. M.C. Joshi, Chairman of the Central Board of Direct Taxes. Prior to signing the tax agreement with Macau, India had signed such pacts with seven jurisdictions: the Bahamas, Bermuda, the British Virgin Islands, the Isle of Man, the Cayman Islands, Jersey and Liberia. All the pacts, except those with Liberia and Jersey, have come into force.

Source: Hindu Business Line

Asian Development Bank sets its annual investment plan for India at \$2 billion till 2014

Asian Development Bank said it plans to invest about \$2 billion every year in India's infrastructure space between 2012 and 2014 although the country demands much more than this. ADB has kept its annual infrastructure financing for India unchanged as it faces fund constraints, its managing director general Rajat Nag said. The Manila-based institution had invested about \$2 billion each in 2010 and 2011. The country will need about \$1 trillion investment during the 12th Five Year Plan (2012-2017). Source: Economic Times

India is world's sixth most innovative country: Survey

India has been ranked the sixth most "innovative" country in the world in multinational conglomerate GE's Annual Global Innovation Barometer, driven by financial support from public authorities and long-term support from investors. The report, based on a survey of 2,800 senior business executives in 22 countries, including 200 respondents in India, identifies the top enablers for innovation in the country as talent ('creative' talent and people with technical expertise), financial support from public authorities and long-term support from investors. When asked to identify the three countries they consider "innovation champions", 65 per cent of the global respondents identified the US, followed by Germany (48 per cent), Japan (45 per cent), China (38 per cent), Korea (13 per cent) and India (12 per cent). The report indicates a 'balanced' perception of the environment for innovation in the country, with respondents more satisfied with private investment and government support for innovation. Source: Press Trust of India

India to launch \$1 billion innovation fund by June-July

India plans to launch a \$1 billion fund by June-July, with an initial capital of \$97.02 million, to invest in innovations that can generate services and products to uplift the poor, a top government official said. "We need to provide money to those who have ideas but no seed capital," Sam Pitroda, Adviser to Prime Minister on public information, infrastructure and innovation, said. The fund, named India Inclusive Innovation Fund, will invest in sectors such as agriculture, water, energy and healthcare, Pitroda said. The fund intends to raise \$97.02 million in its first phase. Pitroda said he was hopeful the finance minister would give out further details in the budget for 2012/13. The fund is expected to generate modest returns of about 10-12 percent, as opposed to present industry standard of about 18-20 percent.

Source: Reuters

India Government to set up Solar Firm

India is setting up a company with initial capital of \$405.6 million to build federal solar projects and help the country reach a target of 20 gigawatts of solar energy capacity by 2022, a top Government Official said. The decision to create the company comes at a time when some solar and renewables experts are worrying that due to a shortage of funds and a relative lack of interest by commercial companies, India might miss solar energy targets set. Deputy Minister for Ministry of Renewable Energy Mr. Gireesh B. Pradhan said India is planning to launch road shows in the U.S. and Europe in May to attract investment in renewables, especially the solar energy sector, for the next phase of the solar program, which is scheduled to be launched in the financial year that begins April 1, 2013. The country aims to add 4-7 GW of solar capacity in that phase, which ends in 2017. Source: Wall Street Journal

INDIA - CANADA

India-Canada to fast-track CEPA negotiations

Union Minister of Commerce and Industry, Anand Sharma and his Canadian counterpart, Ed Fast, have agreed to fast-track the CEPA negotiations between the two nations. Minister Sharma informed this during his meeting with his Canadian counter part at the World Economic Forum at Davos on January 27th. Both the Ministers agreed to fast-track the

CEPA negotiations and committed to advise the negotiators who are meeting in February accordingly. It was decided that a CEO forum will be formed and will meet for the first meeting when Minister Sharma visits Canada in May-June this year. Both the leaders reviewed the bilateral ties and expressed satisfaction over the deepening economic ties. Meanwhile the President of Walmart International, Doug McMillon also met the Indian Minister and discussed investment climate in India. He conveyed his commitment to invest in Indian market as and when FDI in multi brand retail is allowed. Source: SME Times News Bureau

World Trade Centre Montréal signs a Memorandum of Understanding with World Trade Centre Mumbai and All Indian Association of Industries

The Board of Trade of Metropolitan Montreal and its team of international trade experts, the World Trade Centre Montréal announced the signing of a memorandum of understanding with World Trade Centre Mumbai and All Indian Association of Industries as part of the 2012 Quebec-India trade mission headed by Minister of Health and Social Services of the Government of Quebec, Dr. Yves Bolduc. "The signature of the agreement with World Trade Centre Mumbai is a continuation of the initiatives instigated during the 2011 trade mission to India by the former Minister of Economic Development, Innovation and Export Trade, and which the Board of Trade attended. This memorandum of understanding will facilitate the exchange of information and collaborations," said Michel Leblanc, President and CEO of the Board of Trade of Metropolitan Montreal. Source: Board of Trade of Metropolitan Montreal

Tata Steel Minerals signs rail deal to export ore through Quebec port

Tata Steel Minerals Canada Ltd. has entered into a rail deal to transport iron ore products from a joint venture project in Labrador to a Quebec port. The deal, announced on January 30th by Tata's joint venture partner, New Millennium Iron Corp. will see product from their ore project transported from Emeril Junction, N.L., to Arnaud Junction in Sept-Iles, Que. The product will then be exported to Europe. Under the confidential life of mine agreement with Quebec North Shore and Labrador Railway Co., Tata will supply the rail cars while the railway, a subsidiary of Iron Ore Company of Canada Ltd., will supply the locomotives. "This new agreement is an important step in the logistics process of delivering iron ore products to Tata Steel Europe, said New Millennium President and CEO Dean Journeaux. Journeaux added that the deal will provide cost and transport certainty for the project over the life of the mine, expected to be 15 years or more. Source: Canadian Business

RIM retains cool in India after global shake-up

With two high-profile executives exiting Research in Motion (RIM), the makers of BlackBerry, it might look like the Canada-based smartphone vendor is in trouble. But its problems won't manifest in India, say experts. The Indian market, in the first 11 months of 2011, saw smartphone shipments cross the 10-million mark for the first time, accounting for six per cent of the 166 million shipments. RIM's ability, say experts, to survive in a market full of Nokia and Samsung products will depend on its capacity to turn around consumers' perception of the brand. Also, it must retain corporate clients. Two years ago, the company re-branded its product from a phone for executives to that for youngsters. It is also targeting low-usage customers, with packages for pre-paid customers (comprising a little more than 80 per cent of the telecom market in India). RIM and its operator partners have renewed efforts to bring younger users to the BlackBerry fold. Source: Rediff Business

Obzerv Technologies Inc. receives a contract from Bharat Electronics Ltd. for 46 Range-Gated Cameras

Obzerv Technologies Inc. has received a contract from Bharat Electronics Ltd. to supply 46 ARGC-2400 cameras. Obzerv's electro-optic cameras will be integrated by Bangalore-based defense Public Sector Company Bharat Electronics Ltd. (BEL) in a multi sensor Coastal Surveillance System. Each system to be supplied to Indian Coastguard will include: the ARGC-2400, a thermal imager, a radar station and meteorological sensors, all of which will be mounted on lighthouses and towers. While the radars and thermal imagers will be dedicated to the detection and location of intrusions from the sea, the ARGC-2400 cameras will be used to classify and identify those targets to provide situational awareness and the ability to counter a threat. Among many features, the main advantage of the long-range night vision cameras developed by Obzerv is their capabilities to perform long-range identification using Obzerv's unique Patent Pending pulse laser source. Source: Obzerv Technologies Inc.

Imax Corp signs deal with India's SPI Group

Imax Corp has signed a deal with India's SPI Group to build four theatres in India focusing on digitally enhanced "Bollywood" movies, Chief Executive Richard L. Gelfond said. Imax, which now has three theatres in India, has been slow to build a presence in the country, which produces 1,000 films annually and is top in the world in movie attendance. So far, the Canada-based company has released only Hollywood movies in India using its digital technology on its signature giant screens. "In India, we cannot just build a world class market with North American films," Gelfond said. "We need to make Bollywood films an important factor." Imax also plans to eventually release Bollywood films in cities such as Toronto and New York, as well as in cities in South East Asia that have large Indian populations. Overall, the company plans to build five theatres in India in 2012 with SPI and other partners, and expects to have a total of 15 to 17 theatres in the country by the end of 2013. Source: Reuters

SECTORAL NEWS

Indian retail sector outlook in 2012 stable: Fitch

Ratings agency Fitch has assigned a stable outlook to the retail sector for 2012 as factors such as expected sales growth-driven expansion and efficient working capital management are likely to benefit retail companies. Despite the economic downturn, Fitch expects the food and value segments to provide a defensive play. "There are likely to be economic headwinds which would impact Indian retailers. However, sales growth driven by space additions and inflation, stable margins, efficient working capital management and flexibility to defer or tone down expansion plans are expected to result in a stable credit profile for Fitch-rated retail companies," Fitch said. According to the '2012 Outlook:India Retail' report, consumer discretionary income is likely to be lower due to higher inflation and interest rates. "However, inflation provides a direct fillip to same-store sales growth. Growth will also be helped by capital expenditure undertaken by retailers," it said. Source: Press Trust of India

CIBC confident India's retail revolution is set to take off

The Canada-India Business Council (C-IBC) sees the recent changes in Indian retail law for foreign companies, as an important development that can benefit companies wanting to

expand into India. India will begin allowing 100 percent ownership for foreign single brand companies in India from the previous 51 percent. Rana Sarkar, President & CEO, Canada-India Business Council points out, "This reform, which requires the use of a smaller Indian Company for at least 30 % procurement, has already shown positive economic potential in India. Pantaloon, one of India's largest retailers' stocks soar 10 percent after the announcement was made. The hope is this reform will allow liberalization in the Indian market and potentially revolutionize Indian supply chains and lower consumer prices." Sarkar believes that this policy change may even change the political climate and make it easier for India to pass a reform on multi-brand retail allow companies such as Wal-Mart, and Carrefour to enter the Indian market. "I also see a real opportunity for the establishment of a cold supply chain in India," said Sarkar. Source: Weekly Voice

Delhi airport emerges as the best retail location for luxury brands like Swarovski, M&S & Hidesign

Indira Gandhi International Airport is the most lucrative retail location in the country, having generated sales of 5,000 per square feet per month in 2011, which is almost four times higher than the second-best location. This figure includes sales from duty-free shops, but regular shops too are buzzing here. "Our ticket size at airport is double in value compared locations elsewhere," said Ruchita Sharma, Marketing Operation Manager of high-end crystal products maker Swarovski's consumer goods business. The brand store at the T3 terminal of the Delhi airport ranks among its top stores by sales globally. It is the fourth largest retail hub in the country with sales of 242.96 million in 2011 despite being ten times smaller than malls such as Ambience Mall in Gurgaon and Phoenix High Street in Mumbai. Premium leather accessory brand Hidesign has over 10,000 per sq ft per month on an average against 1,500-6,000 elsewhere, while Samsonite generated sales of 7,200 from the Delhi airport store compared to 1,350 in other stores. Source: Economic Times

Pharma retail market grows 15% in 2011

Domestic pharma retail market recorded 15% growth during 2011. The pharma sector continued to show its resilience amid slowdown concerns in the economy with December posting a strong growth, with anti-infectives back in favour during the month. The domestic pharma retail reached a new milestone by recording overall sales of \$12.14 billion for the year 2011. The pharma market grew at 15.7% during December, with growth in key therapy areas, including anti-diabetics, derma and vitamins outperformed the market, data compiled by market research firm AIOCD (All India Organization of Chemists and Druggists) said. While the growth in anti-infectives and pain and analgesics at 11% and 12.1%, respectively, grew slower than the market during the month. During December 2011, the companies that reported a strong year-on-year growth significantly above the pharma market include Glenmark (35.3%), Sun Pharma (27.5%), Pfizer (27.9%) and IPCA Laboratories (21.6%). Also, during December, Sun remains the fastest growing company in the top 10, and Macleod's clocked growth in range of 40% level. Source: The Times of India

Tyre exports up 25% in April-November

Tyre exports increased 25 per cent during the April-November period of the current financial year. During the period, a total 5.03 million tyres were shipped compared to 4.01 million in the same period of the last financial year. A good turnaround was noted in November as the shipments rose to 652,390 tyres as against 587,000 in the previous month. Exports in

November registered a 11.13 per cent increase over the same month of the previous financial year. Export of motorcycle tyres registered an increase of 82 per cent in November, while 85 per cent decline was registered in the case of scooter segment. In the case of production, the cumulative figure for April-November period was up seven per cent at 82.8 million tyres, compared to 77.3 million in the same period of 2010-11. Total monthly production increased 10 per cent in November compared to October at 10.8 million across all categories.

Source: Business Standard

Karnataka's renewable energy potential is far more than 28 GW

Studies conducted by the World Institute of Sustainable Energy (WISE), Pune, a UK government funded organisation working in the renewable energy area, has reported that Karnataka has a high renewable energy (RE) potential. The potential is for more than 28 GW, of which only 3.45 GW has been tapped till November 2011. Karnataka's RE base of 3.45 GW includes 1,929 MW of wind, 86 MW of biomass, 782 MW of bagasse co-generation, 646 MW of small hydro and 9 MW of solar. Wind offers the maximum potential, with an untapped capacity of 11 GW. Obviously the huge untapped RE potential also creates an investment opportunity. Significant potential also exists for solar, small hydro, bagasse co-generation and biomass sectors. Under the state's RE Policy, it is estimated that by 2014, there will be a generation of 6,600 MW of renewable electricity. The Renewable Purchase Specification in the state is for of 7%-10%. Source: Economic Times

Smartphone shipments cross 10 million mark in 2011

Smartphone shipments touched 10 million units in the first eleven months of the calendar year 2011, as per estimates by CyberMedia Research (CMR). In its report titled 'India Monthly Mobile Handsets Market Review', CMR claims that November last year was the third consecutive month when smartphone shipments in India crossed one million units and saw the launch of 23 smartphone models. Total 3G phone shipments touched 15.5 million in the first eleven months of CY 2011, according to CMR analysts, with close to 224 models launched by 26 vendors. Multi-SIM mobile handset shipments accounted for 54 per cent of the total India mobile handsets market in November 2011. Nokia, a late entrant to the multi-SIM device category, made up by having as many as seven models on offer by November 2011 and now leads the category with 19 per cent market share. Source: Business Standard

McDonald's goes for costliest revamp to attract more adults

Fifteen years after it entered India, Big Mac is changing colours, literally. The world's largest fast-food chain is shedding its familiar red-and-yellow colours for more muted tones as it goes for its biggest and costliest revamp in the country, in line with its global strategy of attracting more adults. The makeover also involves taking away the iconic mascot, Ronald McDonald, at least from some of its outlets in the country and beefing up its menu with options that are more likely to appeal to adults. The US-based burger-and-fries chain has already added McSpicy Chicken Burger and McFlurry desserts to its offerings in India. The red-and-yellow company logo will be replaced by white across its 240 restaurants over the next three-four years and the decor will change from neon-yellow and bright-red interiors to pale colours. Source: Economic Times

Indian innovator harnesses sea waves for power

An Indian innovator has come up with a technology that tweaks gravity power to harness sea waves for clean and affordable energy, a source more readily available than wind or solar power and, unlike fossil fuels, inexhaustible. The non-polluting technology, aptly named 'Gravity Power House' (GPH), is an offshoot of Gravity Power Tower, (GPT) both conceptualised, designed and developed by B. Rajaram, alumnus of the Indian Institute of Technology-Kharagpur, which have also been granted US patents in May 2010 and October 2011. The technology is based on a simple concept, the conversion of kinetic energy, which an object or medium possesses owing to its motion, into potential deliverable energy to drive wheels on road and rails. The World Intellectual Property Organisation (WIPO), Geneva, a United Nations agency, also approved and published the patent specifications for GPT. WIPO has been set up to encourage creativity and innovation and to protect intellectual property rights, globally. Source: Economic Times

FDI IN INDIA

India assures global CEOs of FDI in retail

In the aftermath of FDI suspension in multi-brand retail, India sought to dispel apprehensions regarding alleged policy paralysis in the country. In a meeting with the chiefs of global retail chains Wal-Mart and the Metro Group at the World Economic Forum (WEF) in Davos, Commerce and Industry Minister Anand Sharma said, "It (51 per cent FDI in multi-brand retail) could not be implemented because of the compulsions of coalition politics as also partisan opposition... It is just a pause. The decision has only been put on a temporary halt." He added that consultations have been restarted with all stakeholders and only bonafide objections would be taken into account. Wal-Mart is operating in India through a joint venture with Bharti Enterprises. The firm has 14 stores in India with best price wholesale cash-and-carry stores. Sharma also met Frans Muller of retail chain Metro who discussed the company's plans to double its investment and stores in cash-and-carry in India. It plans to invest over 100 million euros in India as part of strategy to spread its footprint across the country. Source: The Hindu

After 7 months wait, RBI allows FDI in LLPs

The Reserve Bank of India has agreed to notify foreign direct investment rules in limited liability partnerships, a form of business organization that is popular globally but has not taken off in India. The government had last year allowed foreign investors to pick up stakes in LLPs through the 100% automatic FDI approval route but the proposal did not take effect as the RBI did not notify the rules under the Foreign Exchange Management Act. The central bank considered LLPs a 'loose structure'. However, officials in the Ministry of Corporate Affairs reiterated that no changes will be made to the LLP Act. "We have repeatedly written to the RBI to revise its stance on LLPs and the existing Act. We are hopeful that they would soon be notified," a senior ministry official said. Under the Limited Liability Partnership Act, 2008, LLPs combine the benefits of a company and a partnership firm. Unlike regular partnerships, an LLP partner is not responsible or liable for another partner's negligence.

Source: Economic Times

Cabinet gives final nod to Vedanta acquisition of Cairn stake

The Union Cabinet gave final approval to London-based mining group Vedanta Resources' acquisition of a majority stake in Cairn India for \$8.48 billion. The Cabinet Committee on Economic Affairs headed by Prime Minister Manmohan Singh cleared the deal, highly placed sources said. While giving security clearance to Vedanta's purchase of a majority stake in Cairn India, the Home Ministry had on November 25, 2011 pointed to eight instances of the mining group or its affiliates being involved in cases of default of payment, human rights violations or environmental damage. Sources said the Oil Ministry approached the CCEA "to bring on record" the transgressions pointed out by the Home Ministry. The planned sale of a 40 per cent stake held by Cairn Energy Plc in Cairn India Ltd to Vedanta was first considered by the CCEA in April last year and approved in June, 2011, with certain preconditions.

Source: The Hindu

NRI venture to invest \$101.23 million in Kerala

The Dubai-based Fathima Healthcare Group has launched a new venture, NRI Project Management India Ltd (NRI-PMI), and has drawn up plans to invest around \$101.23 million in various projects in the first phase. The projects include a world trade centre, convention centres, star hotels, supermarkets and amusement parks. The new venture will mainly focus on the welfare of the non-resident Indians (NRIs) and their families, according to Dr. K.P. Hussain, Chairman, Fathima Healthcare Group. He said that funds would be raised through shares from NRIs and invested in profitable projects. The company will identify suitable projects in other States in India as well for making investments and NRIs will be given preference in employment according to their skills or through proper training at NRI-PMI-funded projects. The NRIs can either propose the projects or take up new or existing projects of the Union or State governments. Source: Hindu Business Line

Toshiba piloting 'Made in India' TV sets

Toshiba, the \$77-billion electronics and durables giant from Japan, is piloting local manufacturing of TV sets in India. According to Mr. Wu Tengguo, Director, Digital Products and Home Appliances Division, Toshiba India, the company "has begun manufacturing select TV models in limited numbers at a facility in Dehra Dun." Going forward, it could go in for local manufacture in a bigger way, either by setting up its own facility, or through exclusive contract to manufacture TVs and consumer durables for the local market, he said. Besides, the company has also established a local R&D unit to create products specific to the Indian market. Only local manufacturing will enable it to ramp up volumes in categories such as refrigerators and washing machines, where it currently has only a small play in India. According to Mr Tengguo, Toshiba has managed to beat its targets and garner 10 per cent share of the close to 4.5-million-unit flat panel TV market here. Attributing this to the company's "aggressively positioned product range, supported by a well-oiled distribution structure and aggressive marketing campaigns," he said the original plan was to achieve this by 2012. Source: Hindu Business Line

Nippon Life picks 26% in Reliance AMC for \$293.58 million

Japanese life insurance major, Nippon Life Insurance signed a memorandum of understanding (MoU) to acquire a 26 per cent stake in Reliance Capital Asset Management (RCAM) for \$293.58 million. This is the largest foreign direct investment in the Indian

mutual fund sector. RCAM is part of the financial services arm of Reliance Capital, an Anil Dhirubhai Ambani Group company. According to a press release, the largest life insurer of Japan valued Reliance Life Insurance at around \$1.1 billion, or roughly 6.64 per cent of total assets which is higher than the deals that have taken place in the industry in the last couple of years. Morgan Stanley advised Nippon on the deal. In the mutual fund segment, deals are valued on the basis of a fund house's asset mix, network strength, long-term earnings prospects and profitability. Typically, the higher the amount of equity AUM over the long term, the more the valuation. This is because equity mutual fund schemes earn better commissions than debt and other fund categories in a given tenure. Source: Business Standard

Parkside Hotels of UK enters India

Parkside Hotels of the UK is entering India as a part of its expansion in major markets in Asia. Parkside is a global hotel chain with a range of properties catering to budget and ultra luxury segments. A division of this hotel chain, Parkside Zebra Hotels, has tied up with seven hotels in India and in Nepal and is entering into management contracts in South-East Asia. Mr. Himanshu Mehta, President and CEO, Parkside Zebra Hotel, said that the \$140-million chain will bring in a range of brands, including the Parkside Zebra Inn for budget travellers, the Parkside Zebra Hotel in the four and five star category, Parkside Zebra Suites offering high end suites and the niche segment Parkside Zebra Collection. In India it has so far signed up about half a dozen properties of three to 150 rooms under the Parkside Zebra Inn and Suites. These properties are in Amritsar, Dharamshala, Jaisalmer, New Delhi and Udaipur.

Source: Hindu Business Line

Mitsubishi Electric Corp acquires Messung Group

Mitsubishi Electric Corporation has announced its acquisition of the Messung Group, a Pune-based manufacturer of programmable logic controllers (PLCs) and human machine interfaces (HMIs), its sales and distribution partner in India, for an unspecified amount. The acquisition will allow Mitsubishi Electric to accelerate its industrial automation systems business in India and strengthen local sales and solutions. According to a statement, the Messung Group will be merged with Mitsubishi Electric India Pvt. Ltd, headquartered in Gurgaon. A business transfer agreement signed by Mitsubishi Electric and the Messung Group last month, in December 2011, is expected to be completed by the end of March 2012 to finalise the acquisition. Operations of the consolidated business will commence in April. Messung was Mitsubishi's sales partner for about 15 years. Source: Economic Times

Sales, profit grows at IKEA as CEO eyes expansion in India

Over the past decade, IKEA expanded into big emerging markets like Russia and China, although 79 percent of its sales are still generated in Europe. In the next two or three years, IKEA wants to open stores in Serbia and Croatia and it has recently bought land in South Korea. But the biggest opportunity may lie in India, a fast-growing country of around 1.2 billion people that Mikael Ohlsson CEO of IKEA has been eyeing for years. Ohlsson and his Chief Financial Officer, Soeren Hansen, say the company is still studying the fine print related to changes in India's FDI Policy, to make sure, for instance, that requirements to source a certain percentage of products locally won't interrupt its cherished value chain, where it controls design, production, storage and retail. IKEA employs 131,000 people in 41 countries and its 287 stores drew in 655 million customers last year. Source: The Associated Press

Research and Markets: A Guide to India's New FDI Rules and what they mean for foreign retailers

The report examines one of the most anticipated events in retailing: the relaxation of FDI restrictions in India's retail market. It analyses in detail the proposed changes to current legislation, and also investigates areas of future growth within the Indian retail market. The briefing focuses on the potential benefits and challenges for foreign companies, although consideration is also given to Indian retailers operating in the market. The "Guide to India's New FDI Rules and What They Mean for Foreign Retailers" global briefing offers an insight into the size and shape of the retailing industry, highlights emerging trends, their effects on retailing in markets around the world, on the development of channels and consumers' shopping patterns. It identifies the leading companies and brands, offers strategic analysis of key factors influencing the market. Source: Euromonitor International

Prosegur gets FIPB nod to invest in Security and Intelligence Services (India)

The first strategic foreign investment in the country's cash management space has been sealed with the regulatory clearance for a joint venture between Spanish multinational Prosegur and Delhi-based Security and Intelligence Services (India). The Foreign Investment Promotion Board, the nodal body that clears FDI into India, cleared the proposal last week allowing one of the world's largest private security companies to enter India. Prosegur will invest around \$20.24 million for a 49% stake in the newly-launched local entity, in which the Indian partner will hold 51%. The joint venture will offer cash management solutions to Indian banks, financial institutions and organised retail firms. The joint venture in India will offer its services to banks, including SBI, HDFC, Bank of Baroda, Punjab National Bank and ICICI. Over the next two years, the firm plans to invest over \$16.19 million, a part of which will be used to facilitate inorganic growth. Source: Economic Times

Starbucks may open first store in India in second half

Starbucks Corp., the world's biggest coffee shop operator, may open its first store in India in the second half of this year as it seeks expansion in the fastest growing major economy after China. Starbucks will open the stores after forming an alliance with India's Tata Group by the end of this month, Hameed Huq, Managing Director of Tata Coffee Ltd. (TCO), said. The Seattle-based company signed an agreement in January 2011 to source beans from Tata Coffee. Starbucks faces competition from Barista Coffee Co., a unit of Italy's Lavazza SpA (LAVA), and Café Coffee Day, run by the Amalgamated Bean Coffee Trading Company Ltd. in India, where consumption doubled to more than 100,000 metric tons between 2001 and 2010, the Coffee Board of India estimates. Source: Bloomberg News

LVMH Company Sephora set for India foray

French luxury goods conglomerate Moët Hennessy Louis Vuitton SA (LVMH) is likely to clinch a multi-brand retail deal with New Delhi-based Genesis Luxury Fashion, in which the former's private equity arm L Capital holds a significant minority stake. Genesis Luxury is expected to open doors for LVMH's subsidiary Sephora, a multi-brand beauty and personal care retailer, with a licensing deal. LVMH is finalizing plans for Sephora a little over a month after India deferred foreign direct investment (FDI) in multi-brand retail. LVMH has independent operations of its flagship Louis Vuitton stores in the country. The Sephora stores

are likely to open by end of this year offering cosmetic, skin care, fragrance, bath and body, hair care across multiple brands. Source: Times of India

INDIAN INVESTMENTS ABROAD

Crystal Group plans to branch out in Africa, Gulf

New Delhi-based agro-chemical company Crystal Group, which acquired Rohini Seeds recently, is planning to expand its operations to Africa and the Gulf. The company is in the process of establishing bases in Uganda, Tanzania, Ghana and Nigeria. Mr. Ankur Aggarwal, Managing Director of Crystal Group said, "We have the flexibility to deploy the funds for working capital needs, investments or acquisitions." Asserting that there are no plans to raise more funds, Mr Aggarwal said the company is not looking to go in for a public issue.

Source: Hindu Business Line

Tata Coffee to serve US, Japan a special brew

Tata Coffee Ltd plans to expand its footprint in the US and Japan by serving high-quality, premium speciality coffees. The country's largest integrated coffee producer has entered the lucrative US market with its washed robustas, a speciality coffee. It also plans to build on its subsidiary Eight O' Clock Coffee's presence in the region through the speciality segment. The company, which is witnessing a volume growth in speciality segment, sees big potential in the US, which is an underpenetrated market for Indian coffees. The speciality coffees are high-quality coffees, produced in special geographic micro-climates at various elevations and have a unique flavour profile. These fine varieties are different from the normal coffees and are processed differently and have distinct taste, imbibing the flavours from its environment.

Source: Hindu Business Line

Sudarshan Chemicals acquires Finnish cosmetics pigments brands

Pune-based Sudarshan Chemical Industries has bought the natural mica pearlescent business from Eckart Effect Pigments, a division of Altana AG, a German speciality chemicals group. The buy comprises Eckart's brands Prestige and Flonac - C, produced at its plant in Pori, Finland. These pigments are used in the cosmetics business. Sudarshan, a speciality chemicals maker with a plant at Roha, Konkan, on Maharashtra's coastal strip, will add the new pearlescent product lines to their existing pearlescent pigment portfolio sold under the Sumicos brand name. Sudarshan has acquired only the brands and some critical assets which it will ship to India. Sudarshan Chemicals is a manufacturer of industrial, cosmetics and agro chemicals in which the Japanese company Dai Nippon Ink and Chemical holds an 8% stake but has no management stake. Sudarshan has been expanding in global markets since 2008, setting up wholly-owned subsidiaries in North America and Europe with plans to open sales offices in Asia Pacific and Latin America. Source: Economic Times

NTPC's overseas foray to begin from May

State-run generation utility NTPC would see its first overseas project kick off by May in Bangladesh when the company starts work on a 1,320 mw power plant in Khulna, Company Chairman Arup Roy Choudhury said. Choudhury said NTPC is to sign the joint venture agreement with Bangladesh Electricity Board on January 29. The project is part of the

agreement between the two governments signed during Bangladesh PM Sheikh Hasina's visit here last year. NTPC's first overseas foray would have been Sri Lanka where it is to build a 500 mw plant. Source: The Times of India

TENDERS

Diesel Locomotive Works, Varanasi

1. Tender No. 091010291 for 118 Bearing Thrust Drg No. GM Pt. 8379914
Due Date of Opening: 27.02.2012
2. Tender No. 091110221 for 328 Bearing ASM, EMD Pt. No. 9433120
Due Date of Opening: 22.02.2012
3. Tender No. 091170900 for 20 Circ. Conn. 8-33 Plug Drg No. EMD Part No. 40037116
Due Date of Opening: 23.02.2012
4. Tender No. 091110760 for 342 Main Brg. Upper Centre Drg No. GM Pt. 9543956
Due Date of Opening: 23.02.2012
5. Tender No. 091110780 for 164 Main Brg. Upper Gend Centre Drg No. GM Pt. 9543950
Due Date of Opening: 22.02.2012
6. Tender No. 091110790 for 233 Bearing Thrust Drg No. 8379914
Due Date of Opening: 27.02.2012
7. (i) Tender No. 091110820 for supply of 65 sets of AC-AC Traction System for Dual Cab 4500 HP WD4PD Diesel Electric Locomotives as per DLW purchase Specification WDG4/EL/PS/26
(ii) Firm should also quote rates for AMC for IGBT TCC and LCC of item (i) as per RDSO specification MP.0.2400.67 for 3 years after expiry of warranty
Due Date of Opening: 07.03.2012

Schedule of requirement, offer forms and bid documents for all tenders above can be downloaded from www.diesellocoworks.com

Ministry of Railways (Railways Board)

1. Global Tender Notice No. Track III/2011/22/0108 of 2011 for procurement of 7 Ballast Cleaning Machines **Due Date of opening:** 20.02.2012
Tender document can be downloaded from www.indianrailways.gov.in

FORTHCOMING EVENTS IN INDIA

Plastindia 2012: (February 1-6, 2012, Pragati Maidan, New Delhi): The show will also include a two day International Conference with emphasis on sustainability in plastics. The theme pavilion will show how plastics have integrated into our day to day life. The show will also feature a separate section for finished goods- Proplast- which will showcase the forays made by the Indian processed plastics sector. (www.plastindia.org)

COAL ASIA 2012: (February 6-7,2012, Convention Centre, NMDC Complex, New Delhi): will focus on the theme "Solution for Sustainable Environment and Energy Supply" The summit provides intensive details about the current trends prevailing in the industry and future growth potential. (www.missionenergy.org)

Bangalore India Bio 2012: (February 6-8, 2012, The Lalit Ashok, Bangalore): will deliberate on issues related to the latest Innovations in Biotechnology and focus on Business opportunities that exist for companies in Biopharmaceuticals, Bio-industrial, Bio-services, Bio-informatics and Agri-biotechnology in the light of the Emerging Bio economy. (www.bangaloreindiabio.in)

Global Pulses Conclave: (February 15-17, 2012, Hotel Renaissance Mumbai Convention Centre, Mumbai): will feature a series of presentations by policymakers, domain experts, agribusiness professionals and related others from India and abroad covering key topics like global agri market drivers and outlook; demand supply projections; market opportunities; new trends in processing technology; value addition; status of biotech research; role of organized retail; price discovery and price risk management; currency market outlook (www.globalpulsesconclave.com)

Indian Handicrafts & Gifts Fair (Spring 2012): (February 18-21, 2012, India Expo Centre & Mart, New Delhi): is being organized by the Export Promotion Council for Exports. The show will focus on textiles and the home furnishings segment. It is a one-stop shop for the world's largest variety of indigenous crafts. (www.epch.in)

New Delhi World Book Fair: (February 25- March 4, 2012, Pragati Maidan, New Delhi): is being organized by The National Books Trust, India. It is the biggest book fair in the Afro-Asian region. It combines copyright trade, book trade, cultural activities, exhibitions and displays, information exchanges and industrial communications. (www.nbtindia.org.in)

FICCI FRAMES 2012: (March 14-16, 2012, Hotel Renaissance, Mumbai): FRAMES 2012 will have plenary and parallel sessions on a broad spectrum of issues covering the entire gamut of media & entertainment industry. There will be structured one on one business meetings. The show will also feature 6 focussed television and broadcast sessions on the way forward for Digitization. (www.ficci-frames.com)

International Buyer Seller Meet For Herbals, Dietary Supplements & Nutraceutical Products at 7th Nutra India Summit 2012: (March 15-17, 2012, Hotel Lalit Ashok, Bangalore): The Summit is being organized by Council of Scientific and Industrial Research (CSIR), International Union of Food Science and Technology (IUFOST) along with MM Activ Sci-Tech Communications and supported by leading industry associations like Pharmexcil. The show will also include focused sessions on topics like Innovations in Instant Foods, Snacks, Drinks and Health Beverages. Pharmexcil is organising an International Buyer Seller Meet For Herbals, Dietary Supplements & Nutraceutical Products during the event. (www.nutraindi summit.in)

Indian Engineering and Sourcing Show: (March 22-24, 2012, Mumbai): The show will feature five sectors and concurrent shows will be held. The shows would be IESS Factory Automation 2012, IESS Technologies for Business 2012, IESS Cleantech 2012, IESS Innovation 2012 and IESS Global Sourcing 2012 (www.epecindia.org)

2nd Edition of India International Handwoven Fair: (March 27-29, 2012, Chennai Trade Centre, Chennai): is being organized by the Handloom Export Promotion Council. Around 150 exhibitors, 100 buyers and 75 buying houses are expected to participate in the show. The

show will also feature a “Theme Pavilion”, Technical Seminars and Workshops” and “Cultural events”; besides “One-to-One business meetings”. (www.hepcindia.com)

Metal Buildings & Steel Structures Expo, MBSS'12: (April 12-14, 2012, Bombay Exhibition Centre, Mumbai): is planned in continuation to our above effort to integrate steel & allied metals not only in the infrastructure/industrial projects but also in high rise buildings segment. (www.mbss-india.com)

Food and Bev Tech 2012: (April 15-27, 2012, Bombay Convention & Exhibition Centre): will showcase the latest technologies available for food processing industry and provide a platform for sourcing and networking while the concurrent Food & Bev 2012 will provide an opportunity to explore and sample the largest selection of foods and beverage from India and across the world catering to the taste of India. (www.cii.in/events.aspx)

Indian Houseware & Decoratives Show 2012: (April 15-18, 2012, India Expo Centre & Mart, Delhi NCR): will focus on houseware and decorative segment. It is being organized by Export Promotion Council for Exports. (www.epch.in)

Surface Transport 2012: (April 18-20, 2012, Bombay Exhibition Centre, Mumbai): The objective of the event is to provide a unique single platform concept and focus on a cross sector and process oriented approach, to bring together all aspects of advanced Infrastructure Products and System Technologies. (www.cii.in/events.aspx)

8th Die and Mould India International Exhibition: (April 19-22, 2012, Bombay Exhibition Centre, Mumbai): is India’s largest international die mould show. The show is organized by the Tool and Gauge Manufacturers Association. The exhibits include dies and moulds, press tools, hot runner systems, CAD/ CAM Systems relating to Dies and Moulds, measuring machines and die spotting. (www.tagmaindia.org)

INDIALLIA 2012: (April 23-25, 2012, World Trade Centre, Mumbai): The INDIALLIA forum forges commercial, financial, strategic or technological alliances for fostering businesses internationally. The show will feature over 8000 meetings over 2 days and will focus on the advertising, printing, publishing, entertainment, auto and auto components, electrical and electronics, energy and environment sectors. (www.indiallia.com)

3rd International Conference on Transforming Healthcare with Information Technology 2012: (August 31st –September 1st 2012, Hyderabad International Convention Centre): The conference will be attended by more than 1000 delegates from the healthcare information technology sector. The conference aims to bring all the healthcare eco-system players on a global platform to participate, propagate and promote the various technology-driven transformational approaches, solutions and their benefits to the grassroots, administrators, providers, and research community. (www.transformhealth-it.org)

CONNEX INDIA 2012: (September 12-15, 2012, India Expo Centre, New Delhi): is a B2B international exhibition on Construction Equipments, Road Equipments, Material handling equipments, components, spares and accessories. Exhibitors from USA, UK, Germany, Spain, Brazil, Italy, Turkey, UAE, China, Japan, Australia, Russia etc. are expected to attend. This exhibition is being held to connect strongly with the PSUs and other government departments. (www.ASAPPmedia.com)

BUSINESS OFFERS FOR CANADIAN COMPANIES

1.	Sapcon Instruments Pvt. Ltd. Indore Phone: +91-731-4085751, 4082751 Email: adz.sapcon@gmail.com Website: www.sapconinstruments.com	Manufacturers of level measurement and speed monitoring instruments
2.	Mammen Exports New Delhi Phone: +91-11-2561-8613 Email: mammenexports@airtelmail.in Website: www.hennaexporter.net	Exporters of Natural Henna, Natural Indigo Leaves Powder, Herbal Products Henna Hair Color, Hair care and Skin care Cosmetics
3.	Ambitions International Jaipur, Rajasthan Mobile: +91- 98290-62269 Email: ambitionsinternationaljaipur@gmail.com	Manufacturers and exporters of agro and herbal products & spices including wheat, cereals, grains, soybeans, honey, herbal cosmetics and aloe vera products
4.	Radharam Sohanlal Calcutta Mobile: +91-33-2272-2419, 2270-5376 Email: radharam@vsnl.net	Manufacturers of dried flowers, artificial flowers, pot pourri and handicrafts
5.	Mikus World Bikaner, Rajasthan Mobile: +91-98282-85555 Email: mikusworld06@gmail.com Website: www.mikusworld.in	Website designers, website maintenance and software development company
6.	Vaibhav Udhyog Kishangarh, Rajasthan Mobile: +91-99291-06235 Email: vaibhavudhyog@gmail.com Website: www.vaibhavudhyog.webs.com	Manufactures and exporters of Micro Silica, Silica Flour, Quartz Lumps, Quartz Powder, Quartz Sand and Silica Sand.
7.	Narendra Group of Companies Mumbai Mobile: +91 93220-77322 E-Mail: yarn@narendragroup.com Website: www.narendragroup.com	Manufacturers and exporters of cotton yarn
8.	Lifestyle Inc. Noida, U.P. Phone: 91-11-4160-6500 Email: info@lifestyle-inc.in Website: www.lifestyle-inc.in	Exporters of home décor, handicrafts, houseware, stationery, hand tools and spares
9.	Yash Export Coimbatore, Tamil Nadu Phone: +91-422-292-0379 Mobile: +91-99525-90379 E- Mail: yashexport@live.com	Exporters of poultry products mainly chicken and eggs
10.	Possible Business Solutions Pvt. Ltd. Ahmedabad, Gujarat Mobile: +91-93270-99453 Email: contact@possiblegroup.com	Business Growth Specialists assisting companies to become more profitable, and system oriented

11.	Unique Organics Inc. Jaipur, Rajasthan Mobile:+91-97998-01701 Email: sales2@uniqueorganics.com	Export House dealing in spices
12.	Ganesh Benzoplast Mumbai Phone : +91 22-2839-0719 Email : arvind@ganeshgroup.com Website : www.ganeshgroup.com	Manufacturers of lubricant additives