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2. [Indian auto industry to lead globally by 2020: IBM](#)

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3. [Infrastructure segment set to draw over US\\$ 345.28 billion investments by 2012](#)

Eight infrastructure sectors, including oil and gas, power, roads, ports, airports, railways, urban infrastructure and telecom, are expected to draw more than Rs 16 lakh crore (US\$ 345.28 billion) investment in India over the 2007-08 and 2011-12 period.

4. [Rich harvests augment upsurge in Indian soymeal exports](#)

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5. [Financial giants stitch microfin JV](#)

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6. [IT spend to touch \\$110 bn by 2012, says Gartner](#)

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7. [Indian Railways lines up US\\$ 437.25 million investment for new installations](#)

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8. [Trains at 140 kmph on New Delhi-Kanpur stretch soon](#)

New Delhi-Lucknow Satabdi would be the first train to run at this speed, while the Rajdhani would follow suit later. Travel timings between the two cities is set to reduce by 10 to 15 minutes. The Research Design and Standards Organisation has put in place supporting infrastructure requirement like upgrading the signalling system and level-crossings.

9. [IndiGo beats Air Deccan as largest low-cost airline](#)

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10. Vestas opens R&D centre in Chennai, its 2nd largest

Vestas, a leading wind turbine manufacturer, inaugurated its research and development centre here on Wednesday, a centre that will be the second largest of its R&D centres in terms of number of engineers employed.

11. India to become global small car hub for Hyundai

Hyundai Motor India Limited, ranked as the second largest carmaker in India, is planning to make India its global small car hub, and up its exports for the remaining year by about 8 per cent. It is also planning to export its engines from its Chennai facility starting next year.

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MapmyIndia, a leading player in premium-quality digital maps and consumer navigation services, on Thursday announced its partnership with Ford India to sell MapmyIndia Navigator, India's premium GPS navigation device.

13. Indian healthcare segment to fetch PE funding worth US\$ 500 million in three years

The Indian healthcare industry is expected to get around US\$ 500 million in private equity (PE) funding within the coming three years. Though at a nascent stage, the Indian healthcare sector offers tremendous scope for everyone within the sector.

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BSNL is likely to connect 148,000 villages with high-speed internet connectivity over the next six months. Currently, only 30,000 villages have access to this facility.

15. Magneti Marelli joins hands with Unitech Machines

Fiat Group company Magneti Marelli has announced that the Gurgaon-based Rs 700-crore company, Unitech Machines Limited, will be its fifth joint venture partner in India. The joint venture, which entails an amount of €12 million or Rs 75 crore, would have Magneti as the majority partner with 51 per cent stake and the remaining will be held by Unitech Machines.

16. TCS gets 5-year Swedish contract

Tata Consultancy Services, India's top software services exporter, said on Wednesday that it had got a five-year application management contract in Sweden with Ericsson. The company will handle application maintenance and development services for Ericsson's internal IT operations. The company has been selected as one of the two strategic partners that will deliver application maintenance services to Ericsson and a preferred supplier for application development services.

17. India most attractive market for investment

Short term impact is expected, but I do not see long term impact although we are not decoupled from the global economies", says Jairaj Purandare, leader-markets & industries, PricewaterhouseCoopers. However, he does warn of weak sentiment affecting corporate results. "But India stands out as a more attractive market in this crisis," he adds.

18. Intel unveils first Made-in-India chip

The world's largest chipmaker, Intel, on Tuesday unveiled its latest microprocessor for servers, designed entirely by its Bangalore team and developed in a record two years. The Intel R&D centre in Bangalore designed the Xeon 7400 series processor and it marked the first time that work on the 45 nanometre technology was taken up by the company outside its US home base. The six-core microprocessor is based on Intel's x86 architecture.

19. NHPC ventures into Myanmar

State-owned hydel utility NHPC is getting its first foothold in that country with a preliminary deal for constructing two hydel projects that will eventually supply power to four bordering Indian states — and maybe the national grid. NHPC and the Myanmar government on Tuesday inked an MoU for constructing the Tamanthi and Shwzaye hydel projects aggregating 1,800mw capacity on Chindwin river. NHPC will now update the previous studies made on the projects.

20. ADAG to invest Rs 40,000 cr for 12-mt steel plant in Jharkhand

Reliance Infrastructure, part of the Reliance Anil Dhirubhai Ambani Group (R-ADAG) plans to build a 12 million tonne steel plant in Jharkhand and will soon achieve financial closure for its mega infrastructure project, the Mumbai Metro Rail project.

21. InterContinental plans to add 20 hotels in 2-3 years

InterContinental Hotels group (IHG), the world's largest by number of rooms, plans to increase the number of its hotels by 20 in the country in the next 2-3 years. At present, IHG has 13 properties in India, 11 of which are franchisees and the rest two are managed by the group itself.

22. BSNL to roll out IPTV in 98 cities by November

The state-run telco that is India's largest by revenue, plans to use franchisees to roll out its IPTV, or Internet protocol television services, across 98 cities by the end of November as it tries to grow this business even as demand for alternative ways of receiving television signals increases.

23. BHEL targets Rs 45,000 cr (\$11 bn) turnover by 2011-12

BHEL is on its way to establish an annual manufacturing capacity of 15,000 MW by the end of the next calendar year. We have also decided to go for a 20,000-MW annual manufacturing capacity by December 2011," Mr Ravi Kumar told shareholders at the company's annual general meeting.

24. Lupin buys major stake in SA firm

Lupin acquired the South African firm for about \$24 million or close to about Rs 100 crore. PD, one of the fastest growing companies in South Africa, had revenues of Rand 118 million (close to Rs 66 crore) for the year ended February 2008 and has leadership position in cardiovascular segment.

25. Dr Reddy's launches subsidiary in US

Dr Reddy's Laboratories Ltd has launched Promius Pharma LLC, a wholly-owned subsidiary, for specialty business in Bridgewater, US. We are looking to develop a best in class company and are bringing together the most talented people from a cross section of dermatology companies.

Newsletter, 20-IX-2008

1. Chandrayaan to be launched today

18 Sep 2008, 1222 hrs IST, Times Now

NEW DELHI: India's first unmanned mission to the Moon, Chandrayaan 1, will be unveiled by the Indian Space Research Organization (ISRO) on Thursday. An upgraded version of the hugely successful Polar Satellite Launch Vehicle (PSLV) will be used to send Chandrayaan to space. Within 100 kilometres of the lunar surface, the spacecraft will be launched.

Chandrayaan will then enter the lunar atmosphere and land for exploration. The remote sensing satellite will weigh more than 1300 kilograms and carry high resolution remote sensing equipment for the visible spectrum, near infrared and hard frequencies.

Over its two year period, the mission will survey the lunar surface to produce a complete map of its chemical characteristics and topography. ISRO is likely to launch the spacecraft by October or December this year. The estimated cost of the mission is a whopping \$83 million and will include payloads from other international space agencies including NASA as well.

India has seen numerous successes in the recent past with its space programs. On 28th April this year, India created history by launching ten satellites in one go, carrying a payload of 824 kg. India's first fully commercial launch came on 23rd April when the Italian astronomical satellite, AGILE, was sent into space. On January 10th 2007, India launched the PSLV C-7 vehicle, injecting four satellites into orbit.

2. Indian auto industry to lead globally by 2020: IBM

IBEF, Sep. 08, 2008

New Delhi: The Indian automobile industry is all set to be the global leader by 2020, with the trailblazing innovative work - the Nano - done by the Tatas, according to IT and consultancy giant IBM. The country could lead in service-based offerings in the domestic as well as the global market, it added in its study, Automotive 2020 Clarity Beyond Chaos.

The study further stated that India had a strong case for becoming a key hub for product development, innovation and manufacture of the technically-advanced, green vehicle.

"The Tata Nano showed India's ability to innovate. It has increased India's stature in the global automotive stage," said IBM Automotive Industry Vice-President Global Leader Sanjay Rishi. He also spoke about India's expected role in the rebalancing of core product development vis-a-vis application development.

Rishi said that the industry may see a positive trend of more alliances, technical partnership and joint ventures between Indian Original Equipment Manufacturers (OEMs) and global auto manufacturers. Wholly-owned subsidiaries would also operate in the India market, he added.

The study was the culmination of interviews of 125 executives of original equipment manufacturers, component suppliers and their parties in 15 countries.

The study highlighted areas of opportunity for India such as electronics and embedded software system. It said that India could tap these as an avenue for growth riding on the back of a growing pool of talented technical manpower.

3. Infrastructure segment set to draw over US\$ 345.28 billion investments by 2012

IBEF, Sep. 18, 2008

New Delhi: According to Crisil research estimates, eight infrastructure sectors, including oil and gas, power, roads, ports, airports, railways, urban infrastructure and telecom, are expected to draw more than Rs 16 lakh crore (US\$ 345.28 billion) investment in India over the 2007-08 and 2011-12 period.

Rising financial overheads due to high interest rates as well as a global slowdown are not likely to impact investments much as infrastructural projects have long gestation periods, the Crisil report revealed.

Further, the telecom sector has the least risk potential of the lot. The report forecasts that during the specified period, power will grow at 60 per cent, roads at 100 per cent, airports at 400 per cent, ports by 160 per cent and railways at 250 per cent.

Crisil Research Head, Sachin Mathur, claimed, "There are three key reasons for being confident about investment in Indian infrastructure - improved institutional framework for enabling infrastructure investments, especially by the private sector; experience gained by governments, regulators and players regarding the process of participation through concessions in infrastructure projects". The third key reason, Mathur added, was the improved project execution and financial capabilities of players which allow them to handle multiple, larger and more complex projects.

4. Rich harvests augment upsurge in Indian soymeal exports

IBEF, Sep. 18, 2008

New Delhi: According to official trade sources, Indian soymeal exports are projected to touch the six-million tonne-mark in the year starting October 2008, owing to increased South-East Asian demands and higher soybean production.

Soybean production might touch an all-time high of 12 million tonnes in 2008, 20 per cent higher than the previous year, as revealed to the press by Atul Chaturvedi, President of Adani Enterprises Ltd, the country's biggest private exporter of farm products. This would exceed industry estimates which had earlier held that soybean output would touch 10.2 million tonnes and soymeal exports would reach 5 million tonnes this crop year.

Higher crop growth is being supported by factors such as higher acreage, monsoon rains and overall weather conditions. "We should not be surprised to see production touching as high as 12 million tonne," Chaturvedi added. Well-distributed rains in soybean-producing Madhya Pradesh, Maharashtra and Gujarat too are expected to contribute to better yields, analysts claim.

Demand for soymeal from India has been increasing rapidly worldwide. In early August, India signed contracts for exports worth 200,000 tonnes of soymeal to Indonesia, Singapore and Taiwan at US\$ 450 per tonne, clocking new season shipments at prices above 56 per cent of last year's early deals.

Further Chaturvedi claimed, 'rising freight rates in late 2007 and early 2008 helped India but rates are low now which may make the South American meal attractive. But our importers in Southeast Asia will still be looking at us'. He added that a farmers' strike in Argentina, the world's biggest exporter, also contributed to higher Indian sales.

5. Financial giants stitch microfin JV

The Economic Times, Sep. 11, 2008

Mumbai: Five financial institutions in India are coming together to form a new entity, which will lend to those untouched by high-street banks.

The move reflects a new approach to financial inclusion - tapping potential customers at the bottom of the pyramid - a market that is estimated to be worth billions of rupees.

The partners in the joint venture are Life Insurance Corporation of India, National Housing Bank, Standard Chartered Bank, IFC - a part of World Bank Group - and Union Bank of India. The proposed entity, to be christened Financial Inclusion Corporation of India (FICI), will be a non-banking finance company (NBFC).

FICI will primarily finance microfinancial institutions (MFI). An equally important objective of the company, sources said, will be to influence policy-making and regulations with regard to functioning of MFIs. The other main idea is to position FICI as the coordinating agency for promoting financial inclusion.

Given that 65-70% of the Indian population is not covered under the formal banking system, financial inclusion can spin off business opportunities. However, the approach, the nuances of which are gradually sinking in, will be different from selling normal banking products.

While most public sector banks are taking initiatives to provide bank accounts in unbanked areas, the migration from informal sources could take a longer time. This is evident from the fact that the share of no-frills bank accounts is less than 1% of the total accounts pie. Sources said another objective of FICI is to integrate MFIs with the mainstream financial services players and linking them to global investment communities.

Significantly, the proposed company will channelise donations and grants on behalf of local and overseas donors to MFIs. However, it is not yet clear at this stage whether FICI would channelise charities and grants to NGOs and other non-profit organisations.

Sources said the five big entities will pick up a stake of around 15-20% each. The move has been initiated by IFC Washington, which has approached the State Bank of India to invest in the company. According to a Reserve Bank of India report, MFIs cover about 83 lakh borrowers. The report says a growing component of inclusive banking is lending by MFIs that are societies, trusts, cooperatives, 'not-for-profit' companies and NBFCs registered with the RBI.

"Private sector and foreign banks are observed to be actively supporting this sector, which is also attracting private equity funding and philanthropy funding from outside the country," the report adds.

6. IT spend to touch \$110 bn by 2012, says Gartner

Business Standard, Sep. 12, 2008

New Delhi: IT end-user spending in India is expected to grow at a compounded annual growth rate (CAGR) of 14.8 per cent from 2007 through 2012 to touch \$110 billion (Rs 484,000 crore) by 2012, says research and advisory firm Gartner.

In the current year, IT end-user spending is on way to reach \$64.7 billion (Rs 2,98,345 crore), a 17.2 per cent increase from 2007.

This prediction, supplemented by a robust gross domestic product (GDP) averaging 8 per cent growth from 2007 to 2012 means, the Indian market continues to represent a significant growth opportunity for IT vendors.

"Indian businesses continue to invest in IT in order to drive operational excellence and innovation. Small and midsize businesses (SMBs) will drive the growth of various IT-related industries, with the critical involvement of value added resellers, distributors and retailers," said Naveen Mishra, senior research analyst at Gartner.

Moreover, the report notes that India's domestic IT services market is the fastest-growing in Asia-Pacific with a CAGR of 20.2 per cent in these five years, reaching \$11.8 billion (Rs 53,690 crore) in 2012.

7. Indian Railways lines up US\$ 437.25 million investment for new installations

IBEF, Sep. 12, 2008

New Delhi: Indian Railways, the pride of India, has chalked out a plan to invest around Rs 2,000 crore (US\$ 437.25 million) per annum to raise its consumption of stainless steel and add brand new alloy-made wagons and coaches to its portfolio.

Pramod Kumar Gupta, Additional Member (Mechanical) of Railway Ministry, said that "It was decided in a meeting few months ago that we will increase our consumption of stainless steel to two lakh tonnes per annum which will entail an investment of Rs 2,000 crore (US\$ 437.25 million) every year". At present, the consumption of stainless steel by the Indian Railways stands at around 5,000 tonnes, and carbon steel is primarily used for the purpose, entailing an expenditure of around Rs 800 crore (US\$ 174.94 million), per annum.

"We are also talking to companies, transportation companies like Siemens and Bombardier to set up a joint venture (JV) manufacturing unit in the country to make stainless steel coaches and wagons. We are set to transform Indian Railways due to the advantage the alloy provides," he further added. The Government of India will retain 26 per cent stake in the JV, while the rest would be held by the private counterpart.

8. Trains at 140 kmph on New Delhi-Kanpur stretch soon

12 Sep. 2008, PTI

NEW DELHI: Train speed on the New Delhi-Kanpur stretch is set to get faster with Railways finalising plans to run Satabdis and Rajdhani at 140 kmph. At present, these trains clock about 120 kmph on this route. New Delhi-Bhopal Satabdi, considered the fastest on Indian Railways, runs at 150 km between Tughlakabad and Agra.

The move comes at a time when an informal advisory committee of the Railways has stressed the need to expedite plans for new high-speed lines and increase in speed and capacities on the existing lines, as there was still scope for the same.

It has even stressed on evolving a strategy for substantially increasing speed of goods train in view of increase in freight traffic. Sources in the Railway Ministry said, trial run on the New Delhi-Kanpur section has already been carried out and the new speed might come into force by the end of this year, pending clearance from the Commissioner of Railway Safety.

New Delhi-Lucknow Satabdi would be the first train to run at this speed, while the Rajdhani would follow suit later. Travel timings between the two cities is set to reduce by 10 to 15 minutes. The Research Design and Standards Organisation has put in place supporting infrastructure requirement like upgrading the signalling system and level-crossings.

The advisory committee, comprising former railwaymen of the level of chairmen and members of the Railway Board, has emphasised on a mechanism to monitor and ensure optimisation of road and railway transport.

9. IndiGo beats Air Deccan as largest low-cost airline

Business Standard, Sep. 12, 2008

New Delhi: IndiGo, the Delhi-based, low-cost carrier, has ended Air Deccan's five-year reign as the largest low-cost carrier in the industry. The change took place in August, just before full-service carrier Kingfisher Airlines erased the Air Deccan brand.

Air Deccan, which was renamed Simplify Deccan after the merger with Kingfisher last year, is now called Kingfisher Red.

According to the data released by the civil aviation ministry today, IndiGo's market share is 10.3 per cent, while that of Air Deccan trailed behind at 10.2 per cent.

Last month, Air Deccan was still the largest low-cost carrier, accounting for 11.3 per cent of the market, while IndiGo had a market share of 10.5 per cent.

The decline in Air Deccan's market share has widened the gap between the market share of the Deccan-Kingfisher combine and the Jet-Jet Lite combine in August.

Building on the July trend, during which the Jet-Jet Lite combine had reinforced its position as the largest Indian carrier in terms of passengers, the carriers had a combined market share of 33.5 per cent, while the Kingfisher-Deccan combine was far behind at 25 per cent in August.

The change in dynamics, which ousted Air Deccan as the market leader among LCCs, primarily happened due to a change in the load factors of the airlines.

According to the ministry figures, Air Deccan had the lowest loads of 39 per cent in August, while IndiGo managed to garner the industry average load of 62 per cent.

Battle For the Skies				
Airline	July' 08		August '08	
	Market share	Loads	Market share	Loads
Indian	18.3	55.5	18.0	56.2
Jet Airways	23.5	67.9	24.2	68.3
JetLite	8.3	60.4	9.3	63.0
Deccan	11.3	49.2	10.2	39.0
Kingfisher	15.4	63.3	14.8	59.0
SpiceJet	8.4	57.8	8.5	56.8
Paramount	1.6	76.1	1.7	69.0
Go Air	2.5	76.9	2.7	70.0
IndiGo	10.5	59.0	10.3	62.0
<i>Figures in per cent</i>				

"Another reason for this (change in market share) was that apart from the capacity cut already announced by Air Deccan for the summer schedule, Kingfisher had started selling a lot of Air Deccan's inventory (seats) under its own brand right from July. So an Air Deccan ticket would be booked under Kingfisher's ticket code, but passengers would actually be booking tickets for and travelling on an Air Deccan flight. This showed that Kingfisher was deploying more capacity than it actually did," said Mohit Srivastava, the head of online sales of travel portal Makemytrip.com.

According to their revised schedules submitted to the civil aviation ministry in June, Air Deccan accounted for around 10 per cent of the capacity cuts, while those for Kingfisher were 4 per cent.

10. Vestas opens R&D centre in Chennai, its 2nd largest

The Hindu Business Line, Sep. 11, 2008

Chennai: Vestas, a leading wind turbine manufacturer, inaugurated its research and development centre here on Wednesday, a centre that will be the second largest of its R&D centres in terms of number of engineers employed.

The Danish wind turbine manufacturer has technology centres in Denmark, the UK, Singapore and the US, with the Denmark centre being the largest.

"We are here in Chennai first and foremost because the talent pool is high. And, tapping into the best brains here is important for Vestas," said Mr Finn Strom Madsen, President, Vestas Technology R&D, who was here to inaugurate the centre.

The Chennai centre on the IT corridor, spread over 60,000 sq ft, has started with more than 100 employees, which number will go up to 500 engineers in the next four years.

Vestas' Indian subsidiary is headquartered in Chennai along the IT corridor, close to where the R&D centre is located.

The Chennai centre will support the global engineering research and development activities, working all over the value chain. The engineers here will work on the most attractive projects in the value chain - mechanical, aerodynamics, material research and electronics.

The centre will employ engineers from various disciplines such as mechanical, electrical, material science, electronics and civil.

Talent rules not cost

In terms of R&D cost, where would Chennai figure? "Cost is not the primary driver why we are here. Of course, the cost level here is lower than in Denmark or in Singapore, but the primary driver for Vestas is the access to talent and the best brains," said Mr Madsen.

Globally, the company's R&D activities were directed towards improving turbine reliability and lowering the cost of energy produced. The cost of energy could be brought down by better technologies that will make the turbines more efficient and by steps that can take costs out of a turbine by using less materials or using different materials, he said.

11. India to become global small car hub for Hyundai

IBEF, Sep. 11, 2008

New Delhi: Hyundai Motor India Limited, ranked as the second largest carmaker in India, is planning to make India its global small car hub, and up its exports for the remaining year by about 8 per cent. It is also planning to export its engines from its Chennai facility starting next year.

"In the first half, about 42 per cent of our produce were exported to over 95 countries. But with the slowdown in the domestic industry, it is likely to increase up to 50 per cent for the second half," HMIL Managing Director and CEO Heung Soo Lheem said in New Delhi.

He also revealed that Hyundai is planning to produce 530,000 units this year, of which about 270,000 units would be exported. "From the next year, we will increase our production capacity to 6.3 lakh cars including 20,000 CKD units, by starting the third shift," Lheem said. We would export the CKDs to Turkey and other Asian countries from the next year, he added.

The company exports Santro, Getz, i10 and Accent across the world. The introduction of i20 car, however, would be followed with its export, replacing the Getz.

"We will start exporting engines from the next year, mainly to our Korean partner Kia Motors. A certain portion will also go to Malaysian and other Asian markets," Lheem said.

The Chennai facility which houses the company's engine and transmission plant, was set up with an investment of US\$ 250 million. It has a capacity of 250,000 units per annum. Discussing plans for making India as the auto major's global small car hub, Lheem said, "Our mother company has decided that all small cars will be produced from in India in future and so all R&D for small car will happen here."

12. MapmyIndia partners with Ford India for GPS navigation

12 Sep, 2008, ECONOMICTIMES.COM

NEW DELHI: MapmyIndia, a leading player in premium-quality digital maps and consumer navigation services, on Thursday announced its partnership with Ford India to sell MapmyIndia Navigator, India's premium GPS navigation device.

MapmyIndia Navigator, which is now included with the Navi Gear package of Ford Endeavour, is also offered as a new accessory feature available at all authorized Ford dealerships across India, which can be fitted on all Ford vehicle range, including the Ford Fiesta, Ikon, Fusion and the Endeavour.

This partnership comes at the same time as release of MapmyIndia Navigator 2.0, which offers unprecedented and unparalleled street level map coverage in 174 cities, up from previous 18 cities. In comparison, others offer navigation on phones and devices with limited and basic maps ranging from 6 to 30 cities. With this new release and partnership, MapmyIndia Navigator extends its dominance as India's premium GPS navigation product and continues to introduce more Indian consumers to the benefits of GPS navigation.

"Ford India is committed to understand our consumer's changing needs and preferences. Through this new partnership with MapmyIndia, Ford customers will enjoy an enhanced in-car experience and the benefits of GPS navigation will make driving and traveling even safer, comfortable and fun," said Nigel E. Wark, executive director, marketing, sales & service, Ford India.

"We are happy that Ford India has chosen to partner with MapmyIndia for GPS navigation. Through this partnership, we hope more Indian consumers can enjoy the convenience and comfort of GPS navigation in their cars. The release of MapmyIndia Navigator 2.0, with street level maps for 174 cities, will help Ford and our other partners sell to the large Indian consumer base that lives beyond the major metros as well," said Rakesh Verma, MD, MapmyIndia.

13. Indian healthcare segment to fetch PE funding worth US\$ 500 million in three years

IBEF, Sep. 15, 2008

New Delhi: According to industry experts, the Indian healthcare industry is expected to get around US\$ 500 million in private equity (PE) funding within the coming three years. Though at a nascent stage, the Indian healthcare sector offers tremendous scope for everyone within the sector.

PE investment in the healthcare sector is primarily going into three segments, which are pharmaceutical companies, hospitals and healthcare services. The emerging healthcare services segment, which is attracting an increasing amount of investments from venture capitalists, includes, medical device manufactures, disease management services, diagnostic chains and allied healthcare services.

The Indian healthcare sector exhibits a strong downturn-averse trend, making the sector more lucrative for fund managers, as compared to other sectors such as infrastructure, financial services and retail. This status of the sector will also guarantee robust growth for the sector and ensure enhanced PE funding. Infusion of PE fund would generate fiscal discipline within the sector and consolidate the scattered and unorganised healthcare segment of the country.

14. BSNL to cover more rural markets with net connectivity

IBEF, Sep. 16, 2008

New Delhi: Government-run Bharat Sanchar Nigam Limited (BSNL) is likely to connect 148,000 villages with high-speed internet connectivity over the next six months. Currently, only 30,000 villages have access to this facility.

BSNL is likely to bring all districts and blocks of the country, including 5,000 cities, under high-speed internet connectivity by March 2009. According to the Department of Telecom (DoT), currently, about 95 per cent of the district headquarters and about 44 per cent of the blocks are covered under BSNL's broadband connectivity. After the allocation of the spectrum, the government will initially provide wireless broadband services to 5,000 blocks, which will cover villages within a radius of 10 kilometres of the block headquarter.

This project is expected to benefit institutional users like schools, public health centres, village panchayats and the rural areas-based community service centres (CSCs) meant for providing e-governance and data services to rural areas. For providing telecom services, BSNL plans to procure 93 million lines to extend coverage of GSM mobile services to all the villages having more than 1,000 persons. BSNL has also introduced a tariff plan called Gramin 75, with fixed monthly charges now lowered from the previous Rs 110 (US\$ 2.14) to Rs 75 (US\$ 1.61).

15. Magneti Marelli joins hands with Unitech Machines

The Hindu Business Line, Sep. 16, 2008

New Delhi: Fiat Group company Magneti Marelli has announced that the Gurgaon-based Rs 700-crore company, Unitech Machines Limited, will be its fifth joint venture partner in India.

The joint venture, which entails an amount of €12 million or Rs 75 crore, would have Magneti as the majority partner with 51 per cent stake and the remaining will be held by Unitech Machines.

The agreement, which includes, design, production and assembly of motor vehicles and electronic components such as instrument cluster, body electronics and telematic devices, is expected to be operational by the first quarter of 2009.

“Unitech Machines would invest Rs 40 crore to set up a facility in Manesar for the new venture. Through our partnership with Magneti, we are targeting business from companies like Tata Motors, Fiat, Volkswagen, Maruti and Mahindra,” said Mr Suman Punn, the company’s Chief Financial Officer.

Mr Eugenio Razelli, Chief Executive Officer, Magneti Marelli, said, “We have created five joint ventures in less than a year’s time in a crucial market like India, thus completing our localisation plans.”

Magneti’s other partners in the country include Motherson Sumi, Endurance, Suzuki Motor Corporation and SKH for various components such as powertrain, exhaust system, shock absorbers.

Unitech’s automotive vertical clocked a turnover of Rs 225 crore last fiscal by supplying components such as headlights, taillights mainly to Hero Honda and in a small proportion to Maruti, Yamaha, General Motors and TVS.

16. TCS gets 5-year Swedish contract

17 Sep. 2008, REUTERS

MUMBAI: Tata Consultancy Services, India's top software services exporter, said on Wednesday that it had got a five-year application management contract in Sweden with Ericsson.

The company will handle application maintenance and development services for Ericsson's internal IT operations. The company has been selected as one of the two strategic partners that will deliver application maintenance services to Ericsson and a preferred supplier for application development services.

Amit Bajaj, Director, Nordic Region, TCS said, "This engagement with Ericsson clearly demonstrates TCS' value proposition as we drive more value for our European clients through increased service quality and greater alignment to their business needs. Nordic companies are increasingly looking to service providers like TCS to create a compelling value and deliver consulting, IT services & product engineering synergistically through a single global service standard using TCS' Global Network Delivery Model (GNDMTM)."

Nils Molin, Managing Director, IDC, Sweden, "This contract signifies the trend of increased acceptance of Indian headquartered IT companies delivering complex projects in the Nordic region. TCS has been spearheading this trend by investing heavily in localising its Nordic operations, expanding its services portfolio and aggressively adding new clients. We expect Nordic companies to continue to add deliveries from off and near shore centers to their sourcing strategies for IT Services."

17. India most attractive market for investment

17 Sep 2008, 0058 hrs IST, Shalini Singh,TNN

NEW DELHI: Black Monday's chilling global financial meltdown, despite the overall gloom and initial impact on the stock markets, has a golden upside for India by helping renew its tarnished India shining story.

"There is no cause for panic as a result of this temporary movement in the capital market as FII's pull out money to replenish their funds overseas. India will be the most attractive market for investment in the next five years", says Dr Amit Mitra, secretary general, Ficci.

"FDI inflows will be unaffected as India is the market of the future. Since we do not allow full capital account convertibility, insecure investors cannot flee to other markets, which means we are well insulated from this global financial shock", he says.

Agrees, C Banerjee, director general, CII. "India is a stable economy. FII outflow is just a temporary phenomenon. It will come back in 3-4 months and India's growth story will be renewed," he says.

"Short term impact is expected, but I do not see long term impact although we are not decoupled from the global economies", says Jairaj Purandare, leader-markets & industries, PricewaterhouseCoopers. However, he does warn of weak sentiment affecting corporate results. "But India stands out as a more attractive market in this crisis," he adds.

18. Intel unveils first Made-in-India chip

The Economic Times, Sep. 17, 2008

Bangalore: The world's largest chipmaker, Intel, on Tuesday unveiled its latest microprocessor for servers, designed entirely by its Bangalore team and developed in a record two years. The Intel R&D centre in Bangalore designed the Xeon 7400 series processor and it marked the first time that work on the 45 nanometre technology was taken up by the company outside its US home base. The six-core microprocessor is based on Intel's x86 architecture.

A 300-member team from Bangalore undertook the work with support from units in the US and Costa Rica, Intel India president Praveen Vishakantaiah said.

Intel's Bangalore R&D operations, which started a decade ago, have grown to become one of the largest centres outside the US. Besides the six-core microprocessor, the India R&D team has made important contributions to the teraflop and quad-core Xeon processor.

Mr Vishakantaiah described it as a validation of the Bangalore operations and termed the country as a strategic destination as Intel India continues its focus on high-end technology development. The company said that upgradation costs in moving to the new server chips would be limited as the existing technology platform would support its new microprocessor. R Ravichandran, South Asia sales



director Intel said the new processor would allow a 10-fold reduction in power consumption while substantially increasing performance.

19. NHPC ventures into Myanmar

The Times of India, Sep. 17, 2008

New Delhi: Continued courtship of Myanmar's ruling junta, even after it dumped New Delhi in favour of Beijing for piping natural gas, seems to be paying off for India. State-owned hydel utility NHPC is getting its first foothold in that country with a preliminary deal for constructing two hydel projects that will eventually supply power to four bordering Indian states — and maybe the national grid. NHPC and the Myanmar government on Tuesday inked an MoU for constructing the Tamanthi and Shwzaye hydel projects aggregating 1,800mw capacity on Chindwin river. NHPC will now update the previous studies made on the projects.

Once that stage is completed, the two sides will form a joint venture for constructing the projects and commercially run them. Doors of progress opened during junior minister for commerce and power Jairam Ramesh's June visit to Yangon.

20. ADAG to invest Rs 40,000 cr for 12-mt steel plant in Jharkhand

The Economic Times, Sep. 17, 2008

Mumbai: Reliance Infrastructure, part of the Reliance Anil Dhirubhai Ambani Group (R-ADAG) plans to build a 12 million tonne steel plant in Jharkhand and will soon achieve financial closure for its mega infrastructure project, the Mumbai Metro Rail project.

The company, in consortium with Veolia of France, is building the 12-km elevated Metro Rail in Mumbai at Rs 2,400 crore. "With term loans of Rs 1,200 crore tied up, the Metro is expected to achieve financial closure shortly," chairman Anil Ambani told shareholders at the company's 79th annual general meeting. "As per the concession agreement, we are expected to complete the work in five years' time, by September 2012. We are hopeful of commissioning the metro line by September 2010, a full two years ahead of schedule," he added.

The company has also proposed to invest Rs 40,000 crore to build a 12 million tonne steel plant in Jharkhand. This would be the first time that the ADA group would be venturing into steel.

ET had earlier reported that Reliance Infrastructure has already entered the engineering, procurement and contract business for steel makers. The company last month signed an agreement with China Metallurgical Group Corporation to execute steel projects in India. The move is aimed at taking advantage of growing opportunities in the steel sector's EPC business.

On the Delhi Airport Express Link Project, Mr Ambani said that Reliance Infrastructure, in consortium with CAF of Spain, was awarded the contract to build the project on a Build-Own-Operate-Transfer basis for a concession period of 30 years through an international competitive bidding process.

The company is scheduled to complete the project in a record time of 24 months in time for the Commonwealth Games, he added. The other major project for the company includes the Rs 8,000-crore Mumbai Metro Line 2 project which is a 32-km elevated track along the Mankhurd-Bandra-Charkop corridor.

21. InterContinental plans to add 20 hotels in 2-3 years

The Financial Express, Sep. 18, 2008

New Delhi: InterContinental Hotels group (IHG), the world's largest by number of rooms, plans to increase the number of its hotels by 20 in the country in the next 2-3 years. At present, IHG has 13 properties in India, 11 of which are franchisees and the rest two are managed by the group itself. "We see India as a high growth market and would like to manage all our future properties ourselves," said Jan Smits, COO, Southern Asia and Korea, IHG.

Out of the 11 hotels of IHG that are run on the franchise model, four are with the Grand group, the contract of which expires in January 2009. The company plans not to renew the contract after that. As far as its existing properties are concerned, the company will wait for the contracts to expire and will not immediately cancel them. "Our other contracts will take a lot longer to expire. They will continue to function the way they are right now," said Michael G Herrmann, director of operations, IHG.

The company operates hotels in India under three brand names - Holiday Inn, Crowne Plaza and InterContinental Hotels and Resorts. Out of the 20 new hotels in the pipeline, 15 will be Holiday Inns, four under the Crowne Plasas segment and one will be under InterContinental. Smits said that Holiday Inn is the most lucrative brand to expand in India as land cost is an issue in the country.

The company has tie-ups with real-estate companies like Emaar, DLF, Today group and Eros. According to Rajiv Sharma, associate VP, development, South West Asia, more companies are looking at established hotel chains to manage their properties than do the task themselves. "99% of people who approach us want us to manage their properties. Almost no one is looking at a franchise model now," said Smits. "The DLFs and the Emaars are least interested in hotel operations," added Sharma.

The first of the 20 new hotels proposed will be launched by mid-2009 and will be a Holiday Inn. The company plans to launch a total of four hotel in 2009. Globally, IHG operates under seven brands. However, according to the company officials, it has no plans to bring other brands to the country. "According to our research, food service works best in the country. Therefore, we want to expand our hotels in the existing categories which service to this market," said Smits.

Globally, IHG currently has 4,046 hotels and has 1,788 new hotels in the pipeline. A chunk of them (745) are in the Holiday Inn Express segment, which is not present in India.

22. BSNL to roll out IPTV in 98 cities by November

livemint.com, Sep. 18, 2008

Bharti Airtel Ltd and Reliance Communications Ltd are also preparing to launch IPTV services

New Delhi: Bharat Sanchar Nigam Ltd, or BSNL, the state-run telco that is India's largest by revenue, plans to use franchisees to roll out its IPTV, or Internet protocol television services, across 98 cities by the end of November as it tries to grow this business even as demand for alternative ways of receiving television signals increases.

BSNL has already appointed five franchisees: Aksh Optifibre, Smart Digivision Pvt Ltd, IOL Broadband Ltd, Times Broadband Ltd and Maharashtra Knowledge Company Ltd (MKCL).

Apart from BSNL, which has already launched its IPTV services in some parts of the country, Bharti Airtel Ltd and Reliance Communications Ltd, the country's largest and second largest mobile telephony firms by customers are also preparing to launch IPTV services.

"The IPTV roll-out is being done on a private-public partnership (PPP) model and three franchisees are to be allowed in each city after 4-5 months (of the launch by BSNL), depending on the potential of



the area of operation. We have done three commercial launches in Jaipur, Jodhpur, and Kukas, a small village 30km away from Jaipur city," said Anil Jain, deputy director general (broadband), BSNL.

Jain added that the company expected to serve 150,000 customers by March. "For the IPTV to take off, there should be some differentiating factor for the users to subscribe to the service," said Kunal Bajaj, managing director of consultant BDA Connect Pvt. Ltd. "The compelling factor will be interactive features and value-added services."

23. BHEL targets Rs 45,000 cr (\$11 bn) turnover by 2011-12

The Hindu Business Line, Sep. 19, 2008

New Delhi: State-owned equipment major Bharat Heavy Electricals Ltd (BHEL) is targeting a turnover of Rs 45,000 crore by 2011-12, its Chairman and Managing Director, Mr K. Ravi Kumar, said here.

In 2007-08, BHEL clocked over 14 per cent increase in turnover at Rs 21,401 crore, while net profit was up nearly 19 per cent at Rs 2,859 crore.

"BHEL is on its way to establish an annual manufacturing capacity of 15,000 MW by the end of the next calendar year. We have also decided to go for a 20,000-MW annual manufacturing capacity by December 2011," Mr Ravi Kumar told shareholders at the company's annual general meeting.

With an order book position of over Rs 85,000 crore - the highest-ever both in physical as well as financial terms - at the close of the last fiscal, the company expects to achieve robust growth in 2008-09 and beyond, he said.

Areas of investment

Besides capacity augmentation of existing products, other major areas of investment include setting up of facilities for manufacturing higher rating nuclear sets, hi-end transformers and other associated transmission equipment. Attention is also being given to rebuild and retrofit existing facilities to enhance their life, accuracy and productivity through additional investment, said Mr Ravi Kumar.

On the partnership front, he said BHEL continued to build strategic relationships to enhance its presence and find opportunities in the market. The company entered into an MoU with the Tamil Nadu Electricity Board for forming a joint venture to set up a 2x800 MW Supercritical Thermal Power Project in the State.

An MoU was signed with State-owned trading firm MMTC for enhancing export of power plant equipment and projects leveraging counter trade and bulk buying. An MoU was also signed with power major NTPC Ltd to form a joint venture for executing EPC projects and power equipment manufacturing, he added.

Priority area

He informed shareholders that improving project delivery is a priority area and BHEL is placing extra emphasis on project execution. A better project monitoring system using 'Primavera' has been put in place.

He said that BHEL is not alone in identifying the bottlenecks prevalent in project execution and that there is also a concerted effort by the Government as well as various utilities in finding solutions.

24. Lupin buys major stake in SA firm

Business Standard, Sep. 19, 2008

Mumbai: Drug major Lupin has acquired a majority stake in Pharma Dynamics (PD), the sixth largest generic drug company in South Africa, for an undisclosed amount.

Sources said Lupin has acquired the South African firm for about \$24 million or close to about Rs 100 crore. PD, one of the fastest growing companies in South Africa, had revenues of Rand 118 million (close to Rs 66 crore) for the year ended February 2008 and has leadership position in cardiovascular segment.

The company also has a strong presence in the over-the-counter (OTC) drugs market with both pharmaceutical and nutraceutical brands. While PD will gain access to Lupin's existing product pipeline and manufacturing expertise, Lupin will gain access to established brands and supply chain in South Africa.

25. Dr Reddy's launches subsidiary in US

The Hindu Business Line, Sep. 19, 2008

Hyderabad: Pharma major Dr Reddy's Laboratories Ltd has launched Promius Pharma LLC, a wholly-owned subsidiary, for specialty business in Bridgewater, US.

"The launch of Promius Pharma is a milestone in our strategy of building a sustainable and profitable branded business. We are committed to establishing a leading position in the US dermatology market," Mr G. V. Prasad, Vice-Chairman and Chief Executive Officer, Dr Reddy's said in a release.

The commercial launch of Promius is planned for the third quarter of this year. It would initially focus on the branded dermatology market. It already has three in-licensed and co-developed dermatological products which are scheduled to be launched in the current financial year. The portfolio comprises topical drugs for the treatment of psoriasis, and types of dermatitis.

Further, a pipeline of topical products for Promius is being developed at the integrated product development facility in Hyderabad.

"We are looking to develop a best in class company and are bringing together the most talented people from a cross section of dermatology companies. We have hired a nationally deployed sales force and are currently manufacturing commercial products," Mr Jeffrey Wasserstein, Executive Vice-President of Dr Reddy's (North America) and Promius Pharma said.

The Hyderabad-based company's scrip declined 0.92 per cent at BSE on Thursday and closed at Rs 518.85.