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1. [Taj Tower, Trident re-opened](#)

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2. [Mid-year review report forecasts 7-8% growth](#)

The review highlighted that it would be difficult to make a precise forecast about growth prospects for the whole year at this stage because of uncertainty, though the expectation was that growth would be in the range of 7-8 per cent. However, the mid-year review has sought to prepare the country for growth rate closer to 7 per cent and above. "We should be prepared for growth in 2008-09 as a whole to be around 7 per cent," said Dr Virmani, reading out to reporters from the mid-year review report for 2008-09.

3. [MVNOs to get advance licence](#)

The government is going to make it easy for mobile virtual network operators (MVNOs) to enter the country. The department of telecommunications (DoT), which is in the process of finalising a policy to this end, has decided to grant licences to prospective MVNOs before they tie-up with any telecom service provider.

4. [Navayuga plans Rs 6000cr \(\\$1.400 million\) port](#)

The port will be established in three phases. While the first phase will cost Rs 1500 crore, Rs 2000 crore will be invested in the second phase and Rs 2500 crore in the third phase. NECL intends to invest additional Rs 600 crore for development of a dedicated rail connectivity.

5. [IOC to open India's first hydrogen fuel pump](#)

Indian Oil Corporation (IOC), the country's largest oil marketing company by sales, will open the country's first hydrogen fuel-dispensing station in New Delhi next month. The new-age pump will be set up in Dwarka.

6. [ISRO-built communication satellite launched](#)

National space agency ISRO has stormed into the global satellite export market. W2M, its first communications satellite export jointly bid with EADS Astrium, was put into space on an European launcher on Sunday morning, adding yet another feather to ISRO's cap.

7. [Wipro buys Citi Tech for \\$127 mn](#)

Deal includes revenue commitment of \$500 mn. In a move that can well send out a signal to the industry about the state of affairs in the captive delivery centres of global banking giants in India, Wipro Technologies has announced to acquire Citi Technology Services for \$127 million (around Rs 609 crore) in an all cash deal. Citi Technology Services is the captive delivery centre of IT services and solutions centre of Citigroup in India.

8. [Piramal acquires US firm for \\$40 mn](#)

Healthcare has acquired New York-based Minrad International, a manufacturer of generic inhalation anaesthetic drugs for \$40 million (Rs195 crore), to become one among the top three players in the \$1-billion global inhalation anaesthetics market.

9. [India targets \\$58 billion software export this fiscal](#)

The ninth edition of the largest IT global networking event in India, INDIASOFT 2009, to be held in Kolkata, is targeting the new emerging markets of South Africa, Spain, France and Germany for software exports and services. Last fiscal, the country exported software worth \$45 billion and the target this fiscal is around \$58 billion. Out of this, \$3.6 billion has been earmarked for electronics hardware and \$55 billion for software and services.

10. [E&Y report states BRIC nations to account for 40 per cent of world growth by 2020](#)

Ernst & Young said emerging economies have seen their share of global output and wealth rise significantly over the last few years, driven by faster growth, rising income, high savings ratios, strong investment and export.

11. [RCOM's GSM service to beep pan India](#)

Reliance Communications (RCOM), India's largest CDMA-based mobile operator, on Tuesday announced the launch of its GSM-based cellular services in 14 circles with a capex of Rs 10,000 crore. With this, RCOM, which already offers GSM services in eight circles, becomes an all-India GSM player, covering all 22 circles in the country. The services will begin on Wednesday.

12. [Suzlon acquires first tranche of Martifer's stake in Repower](#)

Suzlon Energy, the world's fifth largest wind turbine maker accounting for about 10.5% of the global marketshare, on Tuesday said it has acquired the first tranche of Portugal major Martifer group's stake in REpower Systems AG of Germany, for approximately euro 65 million.

13. [Despite slowdown, prospects for FDI inflows look promising](#)

The continuing global economic meltdown has reduced the country's capability in attracting higher foreign direct investments (FDI) but the momentum gained by FDI inflows in the months prior to October has helped India get record inward investments.

14. [Rolta acquires Piocon Tech](#)

Mumbai-based IT firm Rolta has acquired Piocon Technologies, a Chicago-based firm that has customers in the oil and gas sector. The acquisition gives Rolta access to solutions which address critical operational needs of refineries.

15. [Core Projects buys K12 unit of Princeton Review](#)

Education solutions provider Core Projects & Technologies said on Monday that it has acquired the K12 Education unit of the US-based NASDAQ listed firm, The Princetown Review Inc (TPR), for \$20 million or Rs 97.5 crore.

16. [Gujarat expects Rs 1 lakh cr \(\\$24.000 million\) in tourism in next five yrs](#)

Undeterred by the current slowdown and the Mumbai terrorists attack, the BJP-led government in Gujarat proposes to aggressively market tourism sector and expects an investment of Rs 1 lakh crore in next five years. The government in a bid to attract investors proposes to unveil an investor tourism policy, announced Gujarat tourism minister Jai Narayan Vyas on Monday at the roadshow for the Vibrant Gujarat slated for January 11, 12, 13.

17. [EMCO plans production unit in S. Africa](#)

Mumbai-based EMCO, engaged in manufacture and sale of transformers and single-phase electronic energy meters in India, is planning to enter South African market through acquisition or by setting up a manufacturing facility. The company is planning to invest around Rs 50 crore. Back in India, the company had recently bagged orders worth Rs 720 crore for setting up 18 power substations across the country.

18. [Services sector retains growth rate of 10-20 per cent](#)

Despite the global economic slowdown, some segments of India's services sector, including IT, education and organised retail, retained growth rate of 10-20 per cent this fiscal, as per a survey by an industry lobby.

19. [Legal outsourcing set to boom](#)

An Indian legal professional who takes home Rs 25,000 a month earns a tiny fraction of the Rs 10,000 an hour that his counterpart in the US earns. But with Indian legal process outsourcing (LPO) industry poised to increase it's hiring, amidst a whirlpool of cost cutting measures being embraced aggressively by the US and the European firms, things could change. Mathematically, this translates into 20 per cent rise in salary packages of LPO employees and bonuses of up to 25 per cent to experienced lawyers employed by various outsourcing outfits.

20. China eyes investments in Himachal

China is keen to invest and offer technical help in tourism, hydro power, horticulture and herbal sectors of Himachal Pradesh, according to Chinese ambassador to India Zhang Yan. "This interest was expressed by a high-level Chinese delegation headed by the Chinese ambassador which met Chief Minister Prem Kumar Dhumal here on Saturday," a top state government official said.

21. Rosy Blue & Rapaport to invest in Surat

Slowdown blues have not stopped investments in Surat, the diamond destination for the world. The first of the Vibrant Gujarat 2009 investment has come to Surat from diamond major Rosy Blue, which will be investing \$3.5 million at a jewellery unit that will be set up at the gems and jewellery SEZ in Surat. Similarly, Rapaport Group, which has its India offices in Mumbai and Jaipur, is planning to open its biggest office in Surat. "We will be opening a 5,000 sq ft office in Surat to facilitate cash trade in diamonds. Surat is already the largest provider of polished diamonds in the world and has capacity to trade, sort and merchandise diamond, which in turn will facilitate the trade," said Rapaport Group chairman Martin Rapaport, who was in the city for the gems and jewellery conference 'Sparkle'.

22. Maruti starts exporting A-star to Europe

Maruti Suzuki, India's leading passenger car maker, announced on December 26, 2008, that it has started exporting A-star, its newly launched small car, to Europe. "The dispatch of first consignment of A-star from Gurgaon railway station is a quantum leap for Maruti Suzuki towards the company's future as a small car manufacturing hub for Suzuki, Japan," said M.M. Singh, the company's managing executive officer (production).

The company had earlier announced that it would scale up exports of its existing models to 100,000 units, and "export large volumes" of A-star to European markets beginning 2009.

23. Indian telecom industry witnesses M&A deals worth US\$ 9 billion

The fast growing Indian telecommunications industry has witnessed mergers and acquisitions (M&A) valued at over US\$ 9 billion this fiscal, despite the global economic slowdown, according to a study by ASSOCHAM EcoPulse.

24. Cognizant upbeat on India, eyes big-ticket deals

Cognizant, which derives a major portion of its revenues from North America and Europe, sees major opportunities in the Indian market on the back of significant IT services contracts coming from companies in verticals such as insurance, financial services and manufacturing. The Nasdaq-listed company's president and managing director R Chandrasekaran said the India focus isn't a de-risking strategy or an effort to drive up its offshore utilisation rate. But, that, it is part of a broader strategy to focus on emerging markets, which currently accounts for less than 5% of its revenues.

25. Rs 1,00,000-cr (\$24.000 million) infra push likely

As the demand for a grand stimulus gathers steam, the government is targeting an investment of Rs 1,00,000 crore in the infrastructure sector within the next two years. To bankroll the plan, the government may ask Infrastructure Investment Finance Company Ltd (IIFCL) to put together a corpus of over Rs 40,000 crore.

26. ONGC snaps up Imperial Energy for \$ 1900 million

Oil and Natural Gas Corporation (ONGC) has taken control of Imperial Energy Plc for £1.3 billion (\$1.9 billion) after 96.8 per cent of the London-listed firm's shareholders accepted the takeover offer made by the state-owned explorer's overseas arm, ONGC Videsh Ltd (OVL).

27. Over 30 countries to participate in Vibrant Gujarat Summit

Vibrant Gujarat Global Investors Summit 2009 is going truly global this time around with delegations from about 30 countries likely to participate in the event. With Japan as an international partner to the event, the state is likely considerable investments in Delhi-Mumbai Industrial Corridor (DMIC) region.

28. Bank lending surges 76% during Apr-Nov

Lending by banks rose more than 76% during April-November period this financial year from the same period a year ago, according to the data available with the Reserve Bank of India (RBI). Banks lent about Rs 2,80,000 crore during the period.

29. Agri cos record biggest profit gains in first half

The farm inputs and farm machinery companies were the biggest gainers, while TTK Healthcare, NIIT, Whirlpool, Punjab Alkalies and Bannari Amman saw their profits rising by more than 500% during the period. ET's list of outperformers includes 750 companies belonging to various sectors, including consumer durables, metal & mining, banks, IT, sugar, oil & gas, infrastructure construction and pharmaceuticals.

30. New Year brings 250,000 jobs

While the proposed over 2.5 lakh hiring is mostly for the financial services industry, the industry experts believe that the overall job market scenario is also set for a recovery in the second half of the year. Topping the list of the companies planning to hire big include public sector banking giants like State Bank of India and Punjab National Bank as well as insurance firms such as Anil Ambani group's Reliance Life, SBI Life, Metlife, Max New York Life.

31. Promote young talent: PM to Science Congress

India is lagging behind not just developed western nations, but also the newly industrialising economies of Asia," Singh said adding that while the government is doing its bit to ensure quantitative development, the leadership for qualitative development must come from the scientific community. "Our universities must do more to foster a research environment." "We need strengthening of institutional leadership in universities and research institutions," the Prime Minister said.

32. New regulator for airports in place by March 31

A new aviation regulator - the Airports Economic Regulatory Authority (AERA) - will come into effect by March 31 this year, according to a ministry official. "AERA has been notified in the gazette. It has to be in place by March 31," the official told on Friday. Once AERA becomes operational, Indian airports will have a tariff regulator in line with international practices.

33. Kingfisher Airlines reduces fares ranging from 21-65%

After Air India and Jet Airways, another domestic airline Kingfisher on Friday announced cut in air fares ranging from 21-65%.

34. Fare cut unlikely on international routes: Jet

India's leading private carrier Jet Airways, which cut domestic fares by up to 40% last week, said it has no plans to slash fares on international routes. "We don't have any proposal right now to cut fares on our international routes," Jet Airways spokesman A.K. Sivanandan said.

35. Centre injects Rs 7,500 crore (\$1.700 million) in education system

The Centre has earmarked a whopping Rs 7,500 crore during the 11th Plan period to provide scholarships to over 80 lakh meritorious students seeking higher academic and professional qualifications of minority, SC and ST communities besides young scientists.

36. No job cut in Tata Steel, says MD

Tata Steel managing director B Muthuraman has ruled out any job cut in the company, giving credit to its strong internal structure. "I believe jobs are protected in the company as Tata steel do not focus on profit alone but our strength is our high internal structure," he said.

37. 9 new SEZ proposals despite slowdown

The government has received nine fresh proposals for setting up special economic zones despite the industry losing appetite for investment in the tax-free enclaves on lack of business confidence in difficult times.

38. India to be 4th strongest economy post-global crisis: ASSOCHAM

India will emerge as the fourth strongest economy among the G-20 countries after China, Russia and S Korea from the global crisis, given its robust forex reserves, high GDP growth rate and various fiscal and monetary measures taken to tackle the downturn, a study said.

1. Taj Tower, Trident re-opened

The Hindu Business Line, Dec. 22, 2008

We can't be knocked down, says Ratan Tata.

Mumbai: The glittering lights were up and guests in all their finery were back, as the Taj and the Trident officially threw open their doors to the public on Sunday, in a brave effort to put behind them, the 60-hour terror-siege that happened three weeks ago.

The tale of the two five-star hotels trapped in the clutch of gun-men, along with those of Mumbai's Chhatrapati Shivaji Terminus, Cama Hospital and the Nariman house – had all of Mumbai and indeed the country shocked.

"This is the beginning of a new era," said Mr Ratan Tata to a battery of the world's media assembled in front of the Tower wing of the Taj Mahal Palace before it was officially thrown open albeit under the shadow of tight security.

Flanked by the members of the Tata group management, including Indian Hotel Company's Vice-Chairman, Mr Krishna Kumar, Mr Tata said that he was not the one to "look back", and he felt "considerable pride" as the hotel took its steps towards normalcy. The reopening of the Tower wing, he said, was dedicated to the people who lost their lives and it sent out a message that "we cannot be knocked down".

No recrimination

Echoing similar sentiments, the top-management of the Oberoi Group had said earlier, that this was not the time for recrimination. And on Sunday morning, the Oberoi Group Chairman, Mr P.R.S. 'Biki' Oberoi watched solemnly as priests conducted an all-faith prayer meeting at the Trident lobby, hours before it opened to the public.

In fact, both hotel majors were optimistic that the coming months would see an increase in their occupancy rates.

Security, hospitality

But as the two hotel majors look to redefine hospitality, they will now have to do business under the watchful eyes of armed gun-men and plain-clothes, less-obtrusive security-men.

But that did not seem to stop the glitterati who thronged the Taj - including corporate honchos such as the Tata group's Mr J.J. Irani and Mr Ravi Kant, Piramal Healthcare's Mr Ajay Piramal and Dr Swati Piramal, State Bank of India's Mr O.P. Bhatt, Bombay Stock Exchange's Mr Jagdish Kapoor, the State Chief Minister and the Deputy Chief Minister and writer Shoba De and actor Rahul Bose. Taj's tea-shop, Shamiana, was fully booked.

The entire Tower wing opened with 268 rooms, five restaurants and other places except for the 12th floor which was extensively used as a base by the elite commandos during the siege. The Oberoi Hotel, that took the brunt of the gun-men's attack, will need at least 6-7 months for reopening, its management said.

Not getting drawn into a discussion on the absence of "crisis infrastructure", Mr Tata responded to a query on security, saying that the measures taken for security were better kept confidential.

2. Mid-year review report forecasts 7-8% growth

The Hindu Business Line, Dec. 24, 2008

Inflation under control, could fall further.

New Delhi: Given the global uncertainties, it would be very difficult at this juncture to gauge the efficacy of the fiscal stimulus package that had been unveiled in the recent weeks, according to the Chief Economic Advisor in the Finance Ministry, Dr Arvind Virmani.

Speaking to reporters soon after the mid-year review of the economy was tabled in Lok Sabha, Dr Virmani also said that annual inflation, which fell below 7 per cent in early December, was “under control” and could decline further to 4-5 per cent levels by end-March 2009. The mid-year review report was tabled in Lok Sabha by the Minister of State for Finance, Mr S.S. Palanimanickam.

The review highlighted that it would be difficult to make a precise forecast about growth prospects for the whole year at this stage because of uncertainty, though the expectation was that growth would be in the range of 7-8 per cent. However, the mid-year review has sought to prepare the country for growth rate closer to 7 per cent and above.

“We should be prepared for growth in 2008-09 as a whole to be around 7 per cent,” said Dr Virmani, reading out to reporters from the mid-year review report for 2008-09.

Crude price fall

Dr Virmani also said that the sharp fall in global crude oil prices would create more “fiscal space” in the second half of the fiscal year ended March 31, 2009. On fiscal deficit, he noted that it would increase substantially on account of the fiscal stimulus package measures. He estimated the Centre’s fiscal deficit for 2008-09 to be over 5 per cent of GDP, which is an additional 2 per cent over the FRBM target level of 3 per cent, if this is taken as the benchmark.

“Indeed, the additional fiscal stimulus for 2008-09 may be of the order of 2 per cent of GDP,” said the mid-year review.

On the global slowdown, the report has said that the deepening of the crisis post August 2008 and subsequent deleveraging and risk aversion in the global markets has directly affected the Indian equity and the foreign exchange markets. Indirectly, the money, debt and credit markets have also been impacted.

“However, so far the macroeconomic impact of the global financial turmoil has been relatively muted due to the overall strength of domestic demand and the predominantly domestic nature of financing of investment, nevertheless some slow down is inevitable. The challenge now is to get the right policy mix so as to ensure that the economy is able to minimise the dislocation to its growth trend,” said the report.

On the impact of recent monetary measures, Dr Virmani noted that more time had to be given for these measures to work through the economy. “We are so impatient that we expect monetary actions to take effect in one week.. one month. Give it some time,” he said.

3. MVNOs to get advance licence

The Financial Express, Dec. 23, 2008

New Delhi: The government is going to make it easy for mobile virtual network operators (MVNOs) to enter the country. The department of telecommunications (DoT), which is in the process of finalising a policy to this end, has decided to grant licences to prospective MVNOs before they tie-up with any telecom service provider.

In doing so, DoT has improved upon the Telecom Regulatory Authority of India's (Trai) recommendation that MVNOs be granted licence only after they tie up with a licensed service provider.

Under MVNO, an operator does not have a telecom licence or infrastructure but buys airtime in bulk from a licensed mobile network operator and uses its own brand to sell it to subscribers. The billing is done under the MVNO's brand.

Analysts said if MVNOs are granted licences prior to any formal tie-up with a service provider, it would tilt the scale in favour of MVNOs while negotiating with the service providers.

The step is a facilitating one and quite akin to what DoT did while formulating the 3G policy, where it allowed foreign telecom players to bid for spectrum as 100% foreign entity and enter into a joint venture with Indian players only after being successful.

Currently, world over there are more than 360 MVNOs.

The MVNO route is likely to see the entry of international players who either find the alternative routes too expensive or are unable to enter via the 3G route owing to the limited number of slots available for auction.

"Currently entering the Indian market requires a massive amount of capital investment, but this arrangement would lower the entry cost and give opportunity to a host of international telecom companies to partner with established Indian players rather than compete with them," a telecom analyst said.

The MVNO route has suddenly become very attractive for global telecom players to enter the Indian market, which has emerged as the fastest growing in the world, adding over 7 million subscribers each month.

With the spectrum crunch and high cost of setting up greenfield projects when the average realisation per user (Arpu) is declining because the country is one with the lowest tariff, the MVNO route is the most cost-effective way to set foot in the country's telecom space.

Analysts agree that given the mounting financial concerns, entering via the MVNO route is worth the wait. Romal Shetty of KPMG had earlier told Fe, "Given the current financial crunch, MVNO would indeed be the best bet for the international companies as no 3G operator, including the incumbents, would be able to make any money on these operations for the next three to four years, so the money is locked in".

So far the government had not allowed MVNOs because the move would have deterred the licensed service providers from investing in networks. However, early this year, realising that there are operators who have huge networks but not enough subscribers, it was thought that the time has come to let in MVNOs.

Interestingly, before the MVNO route is opened up, the world's most prominent MVNO, Britain's Virgin Mobile, has already entered the country, albeit through a different route. The company has become a franchisee of Tata Teleservices Ltd. The development had created a furore with opponents alleging that this was an entry through the backdoor, but DoT and Trai gave it a clean chit. Subsequently, Virgin has stated that since it is already present in the country through the franchise route, it does not plan to become an MVNO....

4. Navayuga plans Rs 6000cr (\$1.400 million) port

Business Standard, Dec. 23, 2008

Kolkata/Bhubaneswar: The Hyderabad based Navayuga Engineering Company Limited (NECL) today signed a memorandum of understanding (MoU) with the Orissa government for developing an all-weather, alongside berthing, mechanised port at Astaranga in Puri district at a total cost of Rs 6,000 crore

The port will be established in three phases. While the first phase will cost Rs 1500 crore, Rs 2000 crore will be invested in the second phase and Rs 2500 crore in the third phase. NECL intends to invest additional Rs 600 crore for development of a dedicated rail connectivity.

The cargo handling capacity of the port is projected to be 25 million tonne in the first phase, 35 million tonne in the second phase and 60 million tonne in the third phase. It is expected to generate direct and indirect employment for about 10,000 persons when fully commissioned. The first phase is expected to be commissioned in 4 years.

Pradeep Kumar Jena, secretary, commerce and transport department of the Orissa government and C V Rao, chairman, NECL signed the documents in the presence of the chief minister Naveen Patnaik in the state secretariat. The company will operate the port on Build-Own-Operate-Share and Transfer (BOOST) basis for a period of 34 years including 4 years required for the first phase construction.

It will share 5 percent of the gross revenue during the first 5 years from the date of commissioning, 8 percent from 6th to 10th year, 10 percent from 11th to 15th year and 12 percent for the remaining 15 years period. While the detailed concession agreement is to be signed in next 6 months, the concession period can be extended for additional 20 years.

During the first phase, the company will have 2 coal berths, one iron and steel berth and one multi-purpose berth along with a stack yard for minerals and commodities. Dredging up to 15 meters will be taken up during this phase.

In the second phase, dredging up to 18 meters will be taken up with 2 additional berths for coal and POL or LNG along with a container terminal. Similarly, in the third phase, one container terminal, one iron and steel berth and one general cargo berth will be added. It may be connected either from Sakhigopal, Khurda or from Barang.

The port is expected to help in the development of engineering, port based and export oriented units and will be instrumental in the development of upstream and downstream industries. The company has sought 5000 acres of land and strengthening the existing access road from Astaranga to Pipili, as support from the Orissa government.

Speaking on the occasion, chief minister Naveen Patnaik said, the project is expected to generate annual revenue of Rs 20 crore for the state government during the first phase and Rs 100 crore per annum when the third phase will be completed.

The chief minister expressed the hope that the promoters of the port will work with the district administration and Idco to develop a port based industrial township along with an industrial park. This will ensure maximum multiplier effect for a balanced regional and social growth, Patnaik added.

5. IOC to open India's first hydrogen fuel pump

Business Standard, Dec. 23, 2008

New Delhi: While conventional fuels are derived from crude oil or gas, the hydrogen fuel will use atmospheric air to synthesise pure hydrogen.

Indian Oil Corporation (IOC), the country's largest oil marketing company by sales, will open the country's first hydrogen fuel-dispensing station in New Delhi next month. The new-age pump will be set up in Dwarka.

"This is the culmination of a journey undertaken by IOC to diversify the energy mix of the country which ultimately results in energy security in the future," says RK Malhotra, IOC's executive director of research and development.

While conventional fossil fuels like petrol, diesel and CNG are derived from raw materials such as crude oil or gas, and mostly imported, the hydrogen fuel to be dispensed at this pump will use atmospheric air to synthesise pure hydrogen, which will be used to fuel vehicles. The process is called "electroliser" technology.



Further, hydrogen-fuelled cell cars emit only water, while CNG vehicles emit noxious oxides that have been a concern to authorities ever since CNG was introduced as an automobile fuel in the capital.

The fuel pump, according to the company, will be set up at a cost of Rs 5 crore, with the Ministry of New and Renewable Energy and the Ministry of Petroleum and Natural Gas funding the project in equal measure.

In 2006, the government unveiled its National Hydrogen Energy Roadmap, outlining an ambitious target of converting one million vehicles to run on hydrogen.

The hydrogen fuel pump will dispense a mix of hydrogen and CNG roughly in the ratio 20:80 to a group of test vehicles comprising three-wheelers and passenger vehicles, mainly drawn from the government's fleet.

General Motors India has confirmed to Business Standard that its next-generation fuel car under validation in the US — the Equinox, which is a hydrogen-powered fuel cell car — has been sounded out by IOC as a possible test vehicle in India in the coming months.

German auto major BMW also runs a fleet of cars on pure hydrogen across Europe. "But the hydrogen we use is qualitatively different from the one India will experiment with. So we are unable to participate in the rollout," said the spokesperson of BMW India.

In the initial phase, we plan to target current CNG vehicle-owners in the capital — public transport vehicle operators, goods carriers or passenger car owners because these vehicles can be run on hydrogen fuel mix with a little modification," says Malhotra. But use of 100 per cent pure hydrogen as auto fuel, Malhotra adds, will require a completely new engine.

Automobile manufacturers like Bajaj Auto, Tata Motors, Ashok Leyland, Eicher Motors and Mahindra & Mahindra have been involved in IOC's efforts to test hydrogen fuel as a commercially viable fuel option in the country since 2006. In 2005, talks were conducted between IOC and Bangalore-based Reva Electric Car Company (RECC) to fine-tune the hydrogen fuel technology for large-scale commercial use in the country. No progress was made on the joint venture, says RECC.

In terms of mileage efficiency, cost of fuel and emissions, hydrogen is superior to CNG. "It depends on how you use hydrogen fuel. If used in a fuel cell car, the mileage efficiency obtained is twice that of a conventional internal combustion (petrol) engine," says Chetan Maini, deputy chairman and chief technical officer, RECC.

6. ISRO-built communication satellite launched

The Hindu Business Line, Dec. 22, 2008

Bangalore: National space agency ISRO has stormed into the global satellite export market. W2M, its first communications satellite export jointly bid with EADS Astrium, was put into space on an European launcher on Sunday morning, adding yet another feather to ISRO's cap.

The contract, executed in 26 months, fetched ISRO \$33 million (around Rs 165 crore) including its margin, Mr S. Satish, spokesman and Director, P&PR, ISRO, told Business Line. At 3.46 tonnes, W2M is also the heaviest satellite that ISRO has ever built on its platform, with payload from Astrium.

ISRO is making another satellite called HYLAS, also won with Astrium, for UK's Avanti Screen Media, and will be launched next year. The two projects, according to him, open a new commercial opportunity marked by ISRO's quality and delivery record and the cost advantage. Projects outsourced to India are said to cost 30-50 per cent lower than in the West.

Launch

W2M is a communications satellite built for Paris-based Eutelsat Communications. It was launched on Sunday at 4.05 a.m. IST on the European Ariane-5 rocket from the Guiana Space Centre in Kourou, South America, an ISRO release said.

It was launched along with another Eutelsat project, HotBird. The ISRO Chairman, Mr G. Madhavan Nair, was in Kourou with seven Indian scientists to watch W2M's launch.

W2M carries 32 high-power Ku-band transponders for telecommunications and broadcasting services over Europe, West Asia and North Africa and has a life of 15 years. ISRO's commercial arm, Antrix Corporation and Astrium jointly bid for the contract after an accord signed between Antrix and the French Government in February 20, 2006.

Astrium took care of the overall programme management and delivery of the communications payload.

Antrix and ISRO provided the satellite bus and performed W2M's integration and testing at ISRO's facilities in Bangalore.

Antrix/ISRO is also responsible for the satellite's Launch and Early Orbit Phase operations being conducted from the Master Control Facility at Hassan. The operations include stabilising the satellite, reaching it to its final orbital slot and deployment of its appendages.

A release said 32 minutes after its lift-off, W2M reached the intended geosynchronous transfer orbit and sent out radio signals to Hassan indicating its good health.

7. Wipro buys Citi Tech for \$127 mn

Business Standard, Dec. 24, 2008

Bangalore: Deal includes revenue commitment of \$500 mn.

In a move that can well send out a signal to the industry about the state of affairs in the captive delivery centres of global banking giants in India, Wipro Technologies has announced to acquire Citi Technology Services for \$127 million (around Rs 609 crore) in an all cash deal. Citi Technology Services is the captive delivery centre of IT services and solutions centre of Citigroup in India.

This is Citigroup's second India-based asset that is being sold out to one of its service providers. The company had recently sold its captive BPO arm, Citigroup Global Services, to TCS for about \$505 million. While acquiring Citi Technology Services along with its 1,650-odd employees working across its four delivery centres in Mumbai and Chennai, Wipro has managed to get a revenue commitment of about \$500 million over the next six years, what Citi's Global Technology Head Jagdish Rao termed as 'minimum commitment' to the buyer. Citi Technology Services, which started operations in India in 2004, has reported a revenue of \$53 million in calendar year 2007 and the company is expecting to up it to \$80 million in 2008.

"It is just the starting point. We feel there will be greater demand for their services as we go forward. This (\$500 million of committed revenue) is what the minimum commitment we are making at this point of time," Rao told the media on Tuesday. Citigroup has been working with Wipro for technology services for the last four years. The present commitment along with a BPO service contract, which Citi has awarded to Wipro, will make the latter the "top service provider for the company from anywhere in the world", he added.

Wipro's BFSI practice, which was one of the largest revenue earning verticals for the company with contribution of about 27 per cent to its consolidated revenue, is under pressure much in the same way as most of its peers due to the global financial turmoil. The committed revenue from Citi as a part of the transaction is supposed to be the driving factor for Wipro for going after the deal, according to industry analysts.

Girish S Paranjpe, Joint CEO of Wipro's IT Business, however, said the company decided to acquire the unit because of the value it brought to the table. "We acquired it because of the quality of the unit that has been set up and the knowledge and expertise of the people there. Very few global banks actually have done this kind of sophisticated work out of India. This brings us a unique capability, which is not only in terms of people, but also the experience on how to run a global operation like this. More than that, it also gives us the chance to scale it up and take it to the next level. I think this is a wonderful opportunity," Paranjpe told Business Standard.



Wipro said that the Master Services Agreement that they have signed with Citi did not restrict them from serving other clients out of the centres. "We are under obligation to make sure that works for Citi do not suffer," said Soumitro Ghosh, Wipro's Senior Vice-President, Finance Solutions. Wipro will provide technology infrastructure services as well as application development & maintenance services to Citi as part of the transaction.

Wipro has a cash reserve of close to \$1 billion, including a short-term loan of close to \$500 million that it raised in March last year.

8. Piramal acquires US firm for \$40 mn

Business Standard, Dec. 24, 2008

Mumbai: Piramal Healthcare has acquired New York-based Minrad International, a manufacturer of generic inhalation anaesthetic drugs for \$40 million (Rs195 crore), to become one among the top three players in the \$1-billion global inhalation anaesthetics market.

Post acquisition, Minrad will become a newly incorporated wholly-owned subsidiary of Piramal and it will be de-listed from US stock exchanges, Ajay Piramal, chairman, Piramal Healthcare said.

The \$25-million Minrad has two plants employing about 90 people and sells three products — isoflourane, enflurane and sevoflurane — in this segment. Piramal Healthcare is a leading producer of the same category drugs — halothane and isoflurane, which it inherited from the acquisition of Rhodia of UK in December 2004. The company expects \$65 million revenues by 2009-10 from the inhalation anaesthetics business, he said.

The acquisition will make Piramal the third largest player in the world for inhalation anaesthetics after Abbott Laboratories and Baxter, said Ajay Piramal. As per the agreement, the stockholders of Minrad will receive \$0.12 a share in cash and Piramal will also acquire Minrad's 8 per cent senior secured convertible notes from the note holders. The acquisition is expected to close by February-March 2009. Piramal has also funded \$12 million as working capital to the cash-starved company, said Ajay Piramal.

9. India targets \$58 billion software export this fiscal

The Financial Express, Dec. 24, 2008

Kolkata: The ninth edition of the largest IT global networking event in India, INDIASOFT 2009, to be held in Kolkata, is targeting the new emerging markets of South Africa, Spain, France and Germany for software exports and services.

Last fiscal, the country exported software worth \$45 billion and the target this fiscal is around \$58 billion. Out of this, \$3.6 billion has been earmarked for electronics hardware and \$55 billion for software and services.

"The software market in South Africa is estimated to be around \$12 billion and we want to tap this potential market. At present, we export 0.7% of it only and want to increase it," said DK Sareen, executive director of Electronics & Computer Software Export Promotion Council (ESC).

INDIASOFT 2009 will have around 120 buyers from these focus regions and also from Latin America, he said. The event will be held in Kolkata on February 26 and 27, 2009.

Around 80 domestic exhibitors will participate in the event. When asked about the last fiscal figures of the IT industry, Sareen said the industry did a business of \$25 billion from April to September, involving \$2 billion in the electronics hardware and \$23.65 billion in software services segment.

"We have already achieved 45% of the total target of \$58 billion in the first six months and let us see how we fare in the coming months," Sareen said. The first six months recorded a growth rate of 30%.

West Bengal IT minister Debesh Das, who was present in the curtain raiser of the event, made it clear that INDIASOFT 2009 is a big opportunity for the city's small and medium scale enterprises in the IT sector. "IT SMEs in the city are surpassing the SMEs of Hyderabad, Pune and Chennai in quality," Das told reporters.

10. E&Y report states BRIC nations to account for 40 per cent of world growth by 2020

IBEF, Dec. 24, 2008

New Delhi: According to global consultancy firm, Ernst & Young, due to a "tectonic shift" in the distribution of global capital over the next decade, the BRIC nations — Brazil, Russia, India and China — are likely to contribute 40 per cent of global economic growth in the next 10 years.

"Companies and governments in the developed world have to face up to the reality that there will be a further shift in the economic balance of power in the years ahead," Mark Otty, Area Managing Partner (Europe, the Middle East, India and Africa) at Ernst & Young said.

According to its latest research note, 'For Richer, For Poorer Global Patterns of Wealth', Ernst & Young said emerging economies have seen their share of global output and wealth rise significantly over the last few years, driven by faster growth, rising income, high savings ratios, strong investment and export.

In the next decade, the BRIC countries are likely to contribute 40 per cent of global growth, while the US would account for approximately 14 per cent.

Among the nations, China is set to become the biggest economy in the world in public-private partnership terms by 2019, and by 2020, the BRIC countries will account for almost a third of global GDP - of which China is expected to contribute 18 per cent.

Among other projections by E&Y, the BRIC nations will account for 65 per cent of the output of global basic metals by 2020. Of the BRIC nations, China will account for the lion's share of growth.

Further, according to the report, around 77 per cent of world reserves, totalling almost US\$ 7 trillion, are held by emerging markets, and cross-border private investment by emerging economies has been rising as well.

11. RCOM's GSM service to beep pan India

The Economic Times, Dec. 31, 2008

Mumbai: Reliance Communications (RCOM), India's largest CDMA-based mobile operator, on Tuesday announced the launch of its GSM-based cellular services in 14 circles with a capex of Rs 10,000 crore. With this, RCOM, which already offers GSM services in eight circles, becomes an all-India GSM player, covering all 22 circles in the country. The services will begin on Wednesday.

"Our CDMA network will now be supported by the GSM network. The two technology paths will be a catalyst in gaining market share. We are targeting 100 mn mobile customers in the next few years," RCOM chairman Anil Ambani said at a press conference in Mumbai. Today, it has 60 mn users (CDMA and GSM combined) while Bharti Airtel with over 83 mn GSM users is the largest operator in India.

Mr Ambani ruled out any preference for one technology platform over another. "We are technology neutral and customers should be given a choice. CDMA and GSM will be one integrated operation and one integrated brand," he said.

RCOM will initially launch GSM service in 11,000 towns and three lakh villages. In the next few months, that will increase to 24,000 towns and six lakh villages. Referring to the capex for GSM plan,

Mr Ambani said, "Most of the capex is behind us and we are very well funded, with strong cash flows. We are looking at a free cash flow situation over the next few years."

On the impending auction of spectrum for the 3G (third generation) services and broadband wireless access (BWA), Mr Ambani said the company will bid for both the licences across India and will not restrict itself to a few top circles.

"The capex for this will depend on rollout. It could be between Rs 2,000-4,000 crore (\$400-\$800 million)," he said. On Tuesday, RCOM stock moved up 7.12% to close at Rs 228.10 on the BSE.

According to RCOM president (wireless) S P Shukla, the company's GSM service will offer seamless international roaming to customers in addition to giving them access to a range of handsets.

"Handset bundling is a core competence of our CDMA business and we will bring it to the GSM domain also," he said. The GSM vouchers, connections and handsets will be available through RCOM's 2,000 exclusive retail outlets and sales points that are in excess of 1 mn.

12. Suzlon acquires first tranche of Martifer's stake in Repower

The Economic Times, Dec. 31, 2008

Mumbai: Suzlon Energy, the world's fifth largest wind turbine maker accounting for about 10.5% of the global marketshare, on Tuesday said it has acquired the first tranche of Portugal major Martifer group's stake in REpower Systems AG of Germany, for approximately euro 65 million.

This transaction would take Suzlon's holding in REpower to 73.71%. Suzlon already holds 91% voting rights in REpower through an existing agreement with Martifer.

Suzlon had earlier agreed with Martifer on a revised payment schedule to buy Martifer's 22.4% stake in Repower. The Tulsii Tanti-controlled company was to acquire the stake in three tranches via payment of Euro 65 million in December 2008, Euro 30 million in April 2009, and the final tranche of Euro 175 million in May 2009.

By the end of the three tranches, Suzlon's ownership level in REpower would go up to about 91%. Shares of Suzlon were up 0.2% at Rs 60.55 in intra day trade on the BSE.

13. Despite slowdown, prospects for FDI inflows look promising

The Financial Express, Dec. 30, 2008

New Delhi: The continuing global economic meltdown has reduced the country's capability in attracting higher foreign direct investments (FDI) but the momentum gained by FDI inflows in the months prior to October has helped India get record inward investments.

While the FDI inflow from April to September rose 137% at \$17.21 billion compared to a year ago, October saw a fall of 26% at \$1.49 billion. The total inflow during April-October was still higher by 80% than the corresponding period of the previous year.

In September, the country attracted FDI of \$2.56 billion, a 259% growth over \$713 million in the same month in 2007. The increase in FDI is mainly due to further liberalisation in FDI norms in petroleum and natural gas, civil aviation, commodity exchanges, credit information companies, mining of mineral and ores bearing titanium, and industrial parks, said the department of industrial policy and promotion, under the commerce and industry ministry.

The sectors that got highest FDI inflows from April to August were services (\$2.34 billion), construction including roads and highways (\$1.64 billion), housing and real estate (\$1.62 billion) and computer hardware and software (\$1.36 billion).

During April-August, Mauritius invested the most at \$5.27 billion, while \$1.72 billion came in from Singapore, \$1.15 billion from the US and \$580 million from the Netherlands.

The economic conditions in the country worsened after September 15, when the fall of Lehman Brothers shattered the sentiments of investors and sent the stock market into a tailspin. Exports fell for the first time in three years in October, dipping by 12% year on year.

But the conditions are better than the western world, and this is what led to the United Nations Conference on Trade and Development say in World Investment Report 2008, that the prospects for FDI to South, East and South-East Asia remain promising, despite concerns about the impact of the financial crisis.

Another key industrial indicator—grant of industrial licences and foreign technical collaborations—also saw healthy numbers. The Project Approval Board for industrial licences under the DIPP granted 102 direct industrial licences, 94 foreign technical collaboration proposals, converted 12 industrial licences and approved 4 letters of intent.

During the year, the government approved the Delhi-Mumbai Industrial Corridor project, with an aim at doubling the employment potential, tripling the industrial output and quadrupling exports from the region in the first five years.

It is also trying to replicate the model of this corridor in southern states with Chennai-Bangaluru-Mumbai Industrial Corridor (CBMIC) project. The work of preparation of the concept paper for the CBMIC project has been assigned to IDFC Projects Ltd.

For modernising and strengthening the intellectual property office, the government also approved a Rs300-crore plan for implementation during the 11th Plan (2007-2012). As part of this scheme, 414 new posts have been created in intellectual property office....

14. Rolta acquires Piocon Tech

The Economic Times, Dec. 30, 2008

Mumbai: Mumbai-based IT firm Rolta has acquired Piocon Technologies, a Chicago-based firm that has customers in the oil and gas sector. The acquisition gives Rolta access to solutions which address critical operational needs of refineries.

Rolta shares were up 1.4% on Monday at Rs 111 on the BSE.

ET had reported that Rolta was close to finalising the deal in its Monday edition. Currently, all of Piocon's customers are based in the US and Rolta plans to expand this to the Middle-East and India, CMD KK Singh said. Piocon's website lists oil major Chevron as one of its customers. Chevron has a stake in Reliance Petroleum.

Rolta also intends to cross-sell these services to its existing customers for engineering design, which are mostly in oil and gas, petrochemical and energy sectors. "This (Piocon's) solution is eminently suited to be extended beyond refinery operations to up-stream and down-stream operations in oil and gas, and to other industry segments like petrochemicals, mining, power, and especially highly regulated sectors like pharmaceuticals and nuclear power," said Rolta.

Quoting market research, Rolta said the estimated size of the addressable market for these solutions is about \$1 billion per annum. With this and the two other acquisitions Rolta has made in the recent past —WhittmanHart and Broech Corporation — the contribution of IT services to its total revenues will go up from around 15% to 32%, approximately equal to what it earns from engineering services. The remaining 40% will come from geographic information systems software.

About 50 consultants, who are permanent employees of Piocon, will transfer to Rolta. The company has the option to transfer the other employees, who are not on its permanent staff, as well. WhittmanHart Consulting, Rolta's earlier acquisition, is also Chicago-based.

15. Core Projects buys K12 unit of Princeton Review

The Hindu Business Line, Dec. 30, 2008

Mumbai: Education solutions provider Core Projects & Technologies said on Monday that it has acquired the K12 Education unit of the US-based NASDAQ listed firm, The Princeton Review Inc (TPR), for \$20 million or Rs 97.5 crore.

This acquisition will be funded through debt being raised by the city-based company's US-based subsidiary, Core Education & Consulting Solutions (CECS), according to a communication sent to the bourses.

The inorganic move will add approximately \$24 million to Core's global revenues and is expected to yield an EBITDA of 24 per cent in the first dull year of operation.

Math & reading

Post the completion of this acquisition, products and solutions such as assessment centre, custom assessment construction, SideStreets (in Math and Reading) will be added to Core's repertoire of offerings.

Founded in 1981, the Princeton Review offers private tutoring and classroom and online test preparations. It works with school districts around the US and authors more than 200 print and software titles on test preparation, college and graduate school selection and admissions, and related topics, the statement from Core said.

Core currently does business with 17 States in the US and over 1,000 schools in the UK. The core technologies scrip was up by 5.38 per cent to close at Rs 47.05 on the BSE on Monday.

16. Gujarat expects Rs 1 lakh cr in tourism in next five yrs

The Financial Express, Dec. 30, 2008

Mumbai: Undeterred by the current slowdown and the Mumbai terrorists attack, the BJP-led government in Gujarat proposes to aggressively market tourism sector and expects an investment of Rs 1 lakh crore in next five years. The government in a bid to attract investors proposes to unveil an investor tourism policy, announced Gujarat tourism minister Jai Narayan Vyas on Monday at the roadshow for the Vibrant Gujarat slated for January 11, 12, 13.

Vyas, who was accompanied by the Gujarat Tourism Development Corporation chairman Kamlesh Patel and the state tourism secretary Kishore Rao D, told FE that "The proposed policy will address various concerns of the investors and facilitate investment in the sector. Gujarat, which has emerged as the leading investment destination in the industry sector, has every potential to become leader in the tourism sector and the tourism policy will provide much needed support."

The minister informed that the tourism corporation has selected 37 destinations for integrated tourism development and in last two years more than 600 projects in 300 tourist destinations have been taken up with a cost of more than rs 100 crore.

Meanwhile, the government is looking at promoting Kutch as an aqua-tourism destination attracting not just leisure travellers but also Meeting, Incentive, Conference and Exhibition (MICE) segment. It will grow a 3-5 days destination, said the tourism secretary Kishor Rao D. He added that currently the hotel inventory is more or less clogged around the Saurashtra region due to better road and air connectivity, however with regional airlines and bus transport being heavily promoted by the government the dynamics are soon to change. Last year, Gujarat received 1.40 crore tourists.

Rao indicated that availability of land for hotel projects is a problem. He said that in the state government land is leased to companies for hotel projects, which in case of big luxury projects is

becoming a problem as the government does not have large chunks of land. There are 10-12 hotel projects in pipeline over the last two years and another 15-17 projects across segments are expected in the year ahead ranging from Kutch to Surat, he said. The conversion of old palaces into heritage hotels is also looked at with the first such agreement to be signed the coming January.

17. EMCO plans production unit in S. Africa

Business Standard, Dec. 30, 2008

Chennai: Mumbai-based EMCO, engaged in manufacture and sale of transformers and single-phase electronic energy meters in India, is planning to enter South African market through acquisition or by setting up a manufacturing facility. The company is planning to invest around Rs 50 crore.

Back in India, the company had recently bagged orders worth Rs 720 crore for setting up 18 power substations across the country.

Speaking to Business Standard, Rajesh Jain, chairman and managing director, EMCO, said the company is currently exporting transformers from India to the South African market and the export revenues from these markets are in the range of \$5-6 billion.

The company has tied up with South Africa-based Edison Power to form a new joint venture (JV) company EMCO Edison Power. In the new company, which is likely to receive an investment of \$20 million (around Rs 100 crore), EMCO will hold 51 per cent equity while Edison will hold the remaining 49 per cent.

The JV will set up the manufacturing unit in South Africa, which will make transformers up to 20 MVA, with the total annual capacity of 2,000 MVA annually. The JV plans to become a reliable power equipment supplier in South Africa and grow in the region through organic and acquisition route.

The JV company will supply the entire range of transformers to South Africa and the neighbouring countries. Apart from the routine contracts, major investments planned by Western Power Corridor (Westcor) and huge transmission and distribution sector capital outlay planned by Eskom in the region will definitely give a boost to the JV and its business.

Speaking about the turnkey electrical substation projects and power grid business in India, he said the company has bagged 17-18 orders for setting up substations in different parts of the country including Maharashtra, West Bengal and Karnataka. Cost of each project will be around Rs 30-40 crore. These projects will be executed in the next 12-18 months, said Jain.

Company's current order book size is around Rs 1,500 crore and is likely to close deals worth another Rs 300 crore by April 2009, he added.

18. Services sector retains growth rate of 10-20 per cent

IBEF, Dec. 29, 2008

New Delhi: Despite the global economic slowdown, some segments of India's services sector, including IT, education and organised retail, retained growth rate of 10-20 per cent this fiscal, as per a survey by an industry lobby.

The survey by the Federation of Indian Chambers of Commerce and Industry (FICCI) said, "Although the slowdown is expected to make a further dent in the growth of some segments of the sector, given its overall contribution of 63 per cent to the GDP (gross domestic product), the services sector growth is expected to help maintain a healthy GDP growth this fiscal."

According to the survey, the number of wireless subscribers grew 50 percent in April-November 2008 compared to the same period last year. Additionally, Internet subscribers grew 26 per cent and broadband subscribers went up 87.7 per cent during the period.

During 2007-08, the services sector grew 10.7 percent, higher than the 8.8 per cent growth in the manufacturing and 4.5 per cent growth in the agriculture sectors.

Furthermore, sectors such as housing finance, entertainment and media industry, IT and IT-enabled services, organised retail trade, education and training also witnessed a "high growth of 10-20 per cent" in April-November 2008.

Railway's revenue earning from passenger traffic and freight traffic, and exchange earnings from foreign tourists also reported a similar growth rate.

19. Legal outsourcing set to boom

Business Standard, Dec. 29, 2008

Mumbai: An Indian legal professional who takes home Rs 25,000 a month earns a tiny fraction of the Rs 10,000 an hour that his counterpart in the US earns.

But with Indian legal process outsourcing (LPO) industry poised to increase its hiring, amidst a whirlpool of cost cutting measures being embraced aggressively by the US and the European firms, things could change. Mathematically, this translates into 20 per cent rise in salary packages of LPO employees and bonuses of up to 25 per cent to experienced lawyers employed by various outsourcing outfits.

Bhaskar Bagchi, country head, CPA, leading provider of outsourced legal support services and intellectual property management specialist, claims that CPA would double its headcount from the existing 500 employees, in the next 6 months. "We are targeting a headcount of 2,000 employees by 2010," he said. Industry sources assert that the average salary benchmark would follow the increase in outsourced legal project revenues, which is rising at an average 30-45 per cent.

Numerous foreclosure-related assignments from US banks and law firms have been keeping Indian LPOs occupied, besides the usual assignments like indexing and coding to database maintenance, patent support, contract review and management, litigation support and legal compliance.

Most LPOs employ an eclectic mix of lawyers, paralegal professionals and engineers for various outsourced functions.

Soumitro Chatterjee, CEO of Legal Circle, a recent startup and subsidiary of the leading law firm Fox Mandal Little feels that salary packages of experienced lawyers would get better by up to 30 per cent in 2009. According to him, "As complexity and volumes of outsourced legal work increases, lawyers from LPO firms would be the most prized professionals leading to a compensation scramble among the growing Indian LPOs."

Legal Circle is looking to hire 15 lawyers in legal and compliance verticals, and expects the headcount to cross 100-mark by 2009 end.

Attrition rates are on an upward curve for Indian LPOs and most players agree that employee benefits like bonuses and increments would be the key retention tools in 2009. Average attrition rates in the industry vary between 25-35 per cent. Bagchi says, "At CPA, we handed out bonuses and increments, starting at 15 per cent and upwards. For 2009, we have a healthy orderbook and the benefits will only get better for employees."

20. China eyes investments in Himachal

Business Standard, Dec. 29, 2008

New Delhi/Shimla: China is keen to invest and offer technical help in tourism, hydro power, horticulture and herbal sectors of Himachal Pradesh, according to Chinese ambassador to India Zhang Yan.

"This interest was expressed by a high-level Chinese delegation headed by the Chinese ambassador which met Chief Minister Prem Kumar Dhumal here on Saturday," a top state government official said.

"We will welcome investment and technical expertise in the promotion of tourism, hydro power, horticulture and herbal cultivation.

The Chinese are experts in these fields and also share a similar topography on the other side of the border," said Dhumal.

"The reopening of traditional trade routes and commercial activities between China and Himachal will benefit people of both the countries," he said.

Dhumal raised the issue of providing access to Mansarovar lake in Tibet via Himachal as the route through the state was much shorter and safer.

Yan said: "China will volunteer its expertise in these fields, particularly hydro power generation."

Chinese companies are currently executing three major road projects in Himachal Pradesh.

21. Rosy Blue & Rapaport to invest in Surat

The Economic Times, Dec. 29, 2008

Surat: Slowdown blues have not stopped investments in Surat, the diamond destination for the world. The first of the Vibrant Gujarat 2009 investment has come to Surat from diamond major Rosy Blue, which will be investing \$3.5 million at a jewellery unit that will be set up at the gems and jewellery SEZ in Surat.

Similarly, Rapaport Group, which has its India offices in Mumbai and Jaipur, is planning to open its biggest office in Surat. "We will be opening a 5,000 sq ft office in Surat to facilitate cash trade in diamonds. Surat is already the largest provider of polished diamonds in the world and has capacity to trade, sort and merchandise diamond, which in turn will facilitate the trade," said Rapaport Group chairman Martin Rapaport, who was in the city for the gems and jewellery conference 'Sparkle'. He added Surat had a qualified workforce that can trade in diamond.

Rosy Blue Group, one of the largest global players in diamond manufacturing and retail, is in the process of consolidating its business. The group is shifting one of its jewellery units from Mumbai to Surat in a bid to save on costs.

22. Maruti starts exporting A-star to Europe

IBEF, Dec. 29, 2008

New Delhi: Maruti Suzuki, India's leading passenger car maker, announced on December 26, 2008, that it has started exporting A-star, its newly launched small car, to Europe.

"The dispatch of first consignment of A-star from Gurgaon railway station is a quantum leap for Maruti Suzuki towards the company's future as a small car manufacturing hub for Suzuki, Japan," said M.M. Singh, the company's managing executive officer (production).

The first consignment left in a specially designed wagon from the Gurgaon railway station for Mundra port in Gujarat.

The company had earlier announced that it would scale up exports of its existing models to 100,000 units, and "export large volumes" of A-star to European markets beginning 2009.

"The A-star cars will be sold under Suzuki Alto brand in Europe. Maruti has invested in a new port and dedicated car handling facility at Mundra port," Singh said.

23. Indian telecom industry witnesses M&A deals worth US\$ 9 billion

IBEF, Dec. 26, 2008

New Delhi: The fast growing Indian telecommunications industry has witnessed mergers and acquisitions (M&A) valued at over US\$ 9 billion this fiscal, despite the global economic slowdown, according to a study by Assocham EcoPulse.

In fact, out of the total M&A deals sealed in the country, the telecommunications industry accounted for around one-third of them. The largest telecommunication deal of the year came from the buyout of 26 per cent stake in Tata Teleservices by Japanese major NTT DoCoMo Inc.

"The \$2.7-billion deal enabled the Japanese giant's entry into the world's fastest growing telecom market, which has over three times the number of subscribers in Japan," the study said.

In another significant deal, Dubai-based Emirates Telecommunications Corp (Etisalat) has bought 45 per cent stake in Swan Telecom for cash up to US\$ 900 million.

Among the major domestic deals in the last eight months of this fiscal, Idea Cellular has acquired 40.8 per cent stake in Spice Communications for US\$ 679 million.

The study revealed that foreign companies infused about US\$ 8.06 billion into the deals.

24. Cognizant upbeat on India, eyes big-ticket deals

The Economic Times, Dec. 26, 2008

Chennai: Cognizant, which derives a major portion of its revenues from North America and Europe, sees major opportunities in the Indian market on the back of significant IT services contracts coming from companies in verticals such as insurance, financial services and manufacturing. The Nasdaq-listed company's president and managing director R Chandrasekaran said the India focus isn't a de-risking strategy or an effort to drive up its offshore utilisation rate. But, that, it is part of a broader strategy to focus on emerging markets, which currently accounts for less than 5% of its revenues.

While the potential of domestic IT market has been highlighted often, it hasn't been tapped in a big way because of the nature of the IT contracts awarded in India. These contracts came as huge bundled deals, which required a vendor to provide network bandwidth, hardware support and infrastructure services apart from pure-play IT services. As a result, players such as an IBM or an Accenture held an edge over their Indian counterparts. But Mr Chandrasekaran says this scenario is changing. "Earlier the contracts bundled a lot. But, what we see in the market place now is that even the services contracts are becoming fairly large. There are very large deals in telecom, insurance and financial services."

Industry observers say this is a reflection of what is happening globally. "With the evolution in the outsourcing industry, we are witness to a maturity in buyer behaviour and sophistication in vendor-partner solutions. This has led to bundled deals being unbundled and farmed out to multiple companies in their core area of strength. While this has started several years back in US and Europe, we are increasingly seeing it happen in India," a senior industry official said.

There are examples of this already happening. While the major bundled deal of Bharti Airtel (\$750 million for ten years) several years back went to IBM, the recent deal for their DTH services was signed with Infosys for all their devices, application server and interactive applications.

In the banking space, there are examples in Vijaya Bank, Union Bank of India and Oriental Bank of Commerce, where Infosys won the core banking solution business while Wipro won the systems integration piece. State Bank of India works with Infosys on the core-banking front and Mphasis (part of EDS) for its BPO functions.

What this essentially means is that even without competence in the infrastructure or the hardware side, IT companies can win fairly large pure-play services contracts in India.

25. Rs 1,00,000-cr (\$24.000 million) infra push likely

Business Standard, Jan. 02, 2009

New Delhi: As the demand for a grand stimulus gathers steam, the government is targeting an investment of Rs 1,00,000 crore in the infrastructure sector within the next two years. To bankroll the plan, the government may ask Infrastructure Investment Finance Company Ltd (IIFCL) to put together a corpus of over Rs 40,000 crore.

With companies and business houses in a financial bind, this scheme aims to take up infrastructure projects under public-private partnership with minimal private investment. Under the proposed formula, a private sector company can start an infrastructure project with just 15 per cent of the required capital and the balance will be provided by government-owned agencies.

Most infrastructure projects are financed three parts by debt and one part by equity. In case the promoter is unable to put together the entire equity capital, IIFCL will offer quasi equity of up to 10 per cent of the project cost. This will bring down the private promoter's contribution down from 25 per cent to 15 per cent. Apart from quasi equity, IIFCL will refinance up to 60 per cent the banks which lend to such projects.

Steps Taken so Far

Infra companies allowed to **borrow up to \$500 million as against \$100 million** earlier

Ceiling on borrowing rates increased

Finance **ministry expands definition of infrastructure** to include exploration, refining and mining companies

ECB norms eased to allow **rupee expenditure up to \$500 million** under automatic route

IIFCL to function as refiner for infrastructure loans, **allowed to issue Rs 10,000 crore tax-free infrastructure bonds**

IIFCL, which has already been mandated to raise Rs 10,000 crore in tax-free bonds, will be permitted to mobilise another Rs 30,000 crore through the same route, the sources said. This will take the total to Rs 40,000 crore. The scheme is awaiting the approval of the Central Board of Direct Taxes for tax exemption to the subscribers. In addition, the government needs to provide a sovereign guarantee to the bonds. Both the approvals are expected shortly, the sources said.

The Rs 10,000 crore raised by IIFCL is supposed to fund road and port projects worth Rs 25,000 crore. With Rs 40,000 in its kitty, it will be able to stimulate infrastructure projects of over Rs 1,00,000 crore.

With private sector investments drying up, thanks to the tight monetary condition, the demand for massive government-backed spending on infrastructure has gained momentum. Such spending raises the demand for steel, cement and capital equipment, which, in turn, has a cascading effect on the other segments of the economy.

26. ONGC snaps up Imperial Energy for \$ 1.9 b

The Hindu Business Line, Jan. 02, 2009

New Delhi: Oil and Natural Gas Corporation (ONGC) has taken control of Imperial Energy Plc for £1.3 billion (\$1.9 billion) after 96.8 per cent of the London-listed firm's shareholders accepted the takeover offer made by the state-owned explorer's overseas arm, ONGC Videsh Ltd (OVL).

OVL's £12.50/share offer closed on Tuesday and 99,241,110 shares, or 96.8 per cent of Imperial Energy's existing issued share capital, were tendered. OVL needed 90 per cent shareholders to approve its deal.

ONGC, which could raise \$1 billion locally to fund the deal, is likely to delist Imperial in London, a senior company executive had said earlier last month.

OVL's biggest buy

Imperial, the Leeds-based firm that has oil producing blocks in Tomsk region of western Siberia in Russia and Kastanai in north-central Kazakhstan, would be the biggest overseas acquisition by OVL. It had paid \$1.7 billion to buy a 20 per cent stake in Exxon Mobil Corp's Sakhalin-I field in Russia and \$785 million for a stake in the Greater Nile project in Sudan, both in 2003.

Bigger presence

"The acquisition will provide OVL with the opportunity to establish presence in Western Siberia, one of the world's largest oil gas producing regions, by acquiring an asset with significant long-term production and reserves potential.

"OVL looks forward to both developing the Imperial Energy licences and growing its asset base by participating in upcoming auctions for licence blocks to Imperial Energy's existing blocks," an ONGC statement said.

More projects

In the past few years, ONGC has lost out to China's state-owned CITIC Group for assets in Kazakhstan and to Korea National Oil Corp. in Nigeria.

But through acquisition of exploration and production assets, ONGC has managed to increase its number of projects outside India to 39 in 17 countries in the past seven years, from just a single project in Vietnam.

27. Over 30 countries to participate in Vibrant Gujarat Summit

Business Standard, Jan. 02, 2009

Mumbai/Ahmedabad: Vibrant Gujarat Global Investors Summit 2009 is going truly global this time around with delegations from about 30 countries likely to participate in the event. With Japan as an international partner to the event, the state is likely considerable investments in Delhi-Mumbai Industrial Corridor (DMIC) region.

While Uganda, Canada, Italy, Korea and Russia have shown interest in sending officials from the ministry level along with business delegation to the event, the state is in process of getting government participation from more countries.

"Business delegations from countries like US, UK, France, China, Germany, Taiwan, Australia, and Malaysia have shown interest in participating at the event. Besides, many African countries have shown interest in participating at the event," according to senior government officials.

Earlier in December over 65 British MPs have signed an Early Day Motion (EDM) to support the Vibrant Gujarat campaign. It was for the first time in British Parliament history that so many MPs have supported for an event happening outside the country.

Headed by Japanese Ambassador to India Hideaki Domichi, the 18-member contingent from Japan would be accompanied by Japan External Trade Organisation (JETRO).

Many NRIs and NRGs are likely to participate at the event, according to an official.

The platform of the event will be designed in such a manner that the chief minister would be surrounded by delegations belonging to different parts of the globe, sources familiar with the development said.

The event is likely to attract investments to the tune of Rs 6-7 lakh crores from various sectors including infrastructure, power, oil and gas, shipbuilding, automobiles, tourism, pharmaceuticals and so on, according to sources. The focus will also be on small and medium scale industries and cluster development.

Top industrialists including Mukesh Ambani, Anil Ambani, Ratan Tata, Sunil Bharti Mittal, Gautam Adani and Shashi Ruia are likely to attend the inaugural session of Vibrant Gujarat Global Investors' Summit (VGGIS).

The 4th Vibrant Gujarat Global investors' summit 2009 is to be held on 12th & 13th January 2009 at Science City, Ahmedabad. The focus of this year summit will be based on 'Globalization of Gujarat Tourism'.

Companies like Mitsubishi, Nissan, Toyoto and Honda are likely to attend the Summit. Among the issues to be discussed will be 'Mini Japan', an exclusive city meant for the Japanese to be located between Dholera and Fedra, where an international merchant airport has been planned.

28. Bank lending surges 76% during Apr-Nov

The Economic Times, Jan. 02, 2009

New Delhi: Lending by banks rose more than 76% during April-November period this financial year from the same period a year ago, according to the data available with the Reserve Bank of India (RBI). Banks lent about Rs 2,80,000 crore during the period.

The increase in bank credit was made possible by an uptick in bank deposits and an increase in the incremental credit to deposit ratio (CDR) of banks which was at an all-time high of 93.7% on November 21. This means banks are lending Rs 93.7 against a deposit of Rs 100.

The growth in bank loans goes against the belief that there is a liquidity crunch in the banking system. "There was a liquidity crunch for a very short period. The problem got solved by a series of measures by the RBI and the finance ministry. This is getting reflected in the consolidated eight-month data," said an official with the finance ministry who asked not to be named.

The increase in incremental CDR has also resulted in a huge increase in the total CDR of banks. "Our CDR has gone up to 76.1% for the period ending October 10, against 64.1% a year ago. This has been a result of our prudent lending and marketing strategy. Our bank has registered a phenomenal growth in credit to all sectors," said R P Singh, chairman and managing director of Punjab and Sind Bank.

The incremental CDR of all commercial banks was 84.3% at the beginning of the last financial year. It slipped to 73.6% at the beginning of the current year due to the moderation in credit growth and strong growth in deposits. Bank credit to the commercial sector expanded by 27% year-on-year as on November 21, 2008 compared with 23.1% a year ago.

Non-food credit expanded by 26.9% compared with 23.7% a year ago. Industry's share in total non-food credit was 48%, while that of agriculture was 9%. Personal loans accounted for 14% of all non-food credit for the period.

29. Agri cos record biggest profit gains in first half

The Economic Times, Jan. 02, 2009

New Delhi: One out of every five listed companies in India declared higher profits in the first half of fiscal 2008-09, an ET analysis shows.

The farm inputs and farm machinery companies were the biggest gainers, while TTK Healthcare, NIIT, Whirlpool, Punjab Alkalies and Bannari Amman saw their profits rising by more than 500% during the period.

ET's list of outperformers includes 750 companies belonging to various sectors, including consumer durables, metal & mining, banks, IT, sugar, oil & gas, infrastructure construction and pharmaceuticals.

In the farm inputs and machinery sector, Coromandel Fertiliser, RCF, Excel Industries, Punjab Tractors, Excel Crop Care, Liberty Phosphate, Swaraj Engines, Nagarjuna Agrichem and VST Tillers Tractors reported higher profit growth in the first half of the fiscal year.

Two-thirds of the profitable companies in the first half of the fiscal year are small in size. But the sales of 53 companies, including ONGC, Sail, HDFC Bank, Hero Honda Motors, Satyam Computers, Nalco, MTNL, Titan Industries, Sesa Goa, Gammon India, Whirlpool India and Hindalco, exceeded Rs 1,000 crore.

Tata Steel, Sterlite, Punj Lloyd, Aditya Birla Nuvo, Dr Reddys Lab and Piramal Healthcare reported better net profit growth as stand-alone entities. The consolidated profits of some companies rose last year in the wake of overseas acquisitions. For instance, the UK-based steel maker Corus became a Tata Steel subsidiary and therefore witnessed a four-fold jump in its consolidated numbers compared to H1 of 2006-07.

Companies that more-than-doubled their net profits included Coromandel Fertiliser, PTC India, RCF, Sesa Goa, Titan, Gujarat NRE Coke, Matrix Labs, Punjab Tractors, Aban Offshore, ICI India, 3i Infotech, Ciba India, Tata Coffee, Punjab Chemicals and Nocil.

Many firms became profitable in the first half of this financial year. Eveready Industries, Deepak Nitrite, Sharp India and UTV Software made profits this year after reporting stand-alone net losses in the first half of last year.

Besides the 750 companies that boosted their profits in the half year ended September, another 200 improved their bottomlines by stemming the decline in profits. For instance, two-wheeler maker TVS Motor reported a 10% drop in net profit for the first half of this year vis-a-vis a 58% decline in the corresponding period of the previous fiscal. The 750 firms reported net profits of Rs 50,510 crore for H1 of 2008-09, up 42%, against a rise of 8.3% in H1 of 2007-08.

These companies also saw significant topline growth, with aggregate net sales rising by 38.6% to Rs 3.32 lakh crore, compared to a rise of 12.3% in H1 of FY08. The study excluded one-time items such as extraordinary income and loss.

Sectors other than banks and oil & gas registered even better performance, with profits jumping by more than 50% compared to the 1.9% growth seen in H12007-08. This shows that high crude oil prices and interest rates were not the only contributors to profitability.

30. New Year brings 250.000 jobs

2 Jan 2009, AGENCIES

NEW DELHI: There is a good news for job seekers, with the companies planning to hire more than 250.000 new employees over the next months — making the new year a welcome change from the gloom of 2008 in the job market.

While the proposed over 2.5 lakh hiring is mostly for the financial services industry, the industry experts believe that the overall job market scenario is also set for a recovery in the second half of the year. Topping the list of the companies planning to hire big include public sector banking giants like State Bank of India and Punjab National Bank as well as insurance firms such as Anil Ambani group's Reliance Life, SBI Life, Metlife, Max New York Life.

Even some BPOs and healthcare firms like ACS and Accentia are planning to hire thousands of people in the coming days. The proposed hirings include more than one lakh of full-time employees and about 1.5 lakh in the part-time positions with the insurance companies. Among other sectors, manufacturing and export-oriented businesses are, however, likely to continue to witness some pressure in the next few months, after huge job losses seen during 2008.

31. Promote young talent: PM to Science Congress

3 Jan 2009, PTI

SHILLONG: Contending that the government has laid down the foundation to foster research, Prime Minister Manmohan Singh on Saturday asked scientists to promote younger talent and strengthen leadership in universities and research institutions.

"The best science is done by young people. Our institutions must be receptive to the needs of the young people. They must promote younger talent and allow youth to lead," he said inaugurating the 96th Indian Science Congress at the picturesque North Eastern Hill University campus here.

Singh said the government can at best ease the supply side constraints on teaching and research and the demand side stimulus must come from institutions and the industry.

"India is lagging behind not just developed western nations, but also the newly industrialising economies of Asia," Singh said adding that while the government is doing its bit to ensure quantitative development, the leadership for qualitative development must come from the scientific community.

"Our universities must do more to foster a research environment."

"We need strengthening of institutional leadership in universities and research institutions," the Prime Minister said.

Seniority and age may be relevant in the bureaucratic system, but scientific institutions must be led by intellectual leaders, irrespective of age, he said.

Singh asked the industry to invest more in R&D and boost the demand for science and technology graduates and researchers.

32. New regulator for airports in place by March 31

2 Jan 2009, IANS

NEW DELHI: A new aviation regulator - the Airports Economic Regulatory Authority (AERA) - will come into effect by March 31 this year, according to a ministry official.

"AERA has been notified in the gazette. It has to be in place by March 31," the official told on Friday. Once AERA becomes operational, Indian airports will have a tariff regulator in line with international practices.

The AERA Bill 2007 received the cabinet nod in May 2007, but was cleared by parliament only in October 2008. It was given clearance by the president late last month.

AERA's prime objective is to create a level-playing field and foster healthy competition between airports, encourage investment in airport facilities, regulate fares and protect passenger interests.

The authority will approve the tariff structure - airport charges including air navigation charges - and monitor the infrastructure standards at airports.

Charges for navigation services that are levied by the Airport Authority of India (AAI) will also be subject to AERA's approval.

It will also encourage investment in airport facilities, regulate tariffs for aeronautical services, ensure protection of users, and issue guidelines for efficient and economical operations of notified airports.

The AERA will determine tariff once in five years but can, in public interest, amend the tariff from time to time during this period.

The authority will also have powers to penalise any government agency, airport authorities and airline operators for wilful failure to comply with its orders and directions, said the official.

33. Kingfisher Airlines reduces fares ranging from 21-65%

2 Jan 2009, PTI

MUMBAI: After Air India and Jet Airways, another domestic airline Kingfisher on Friday announced cut in air fares ranging from 21-65%.

The reduction in fares would be effective retrospectively from January 1, Kingfisher Airlines chairman and chief executive officer Vijay Mallya said.

"Kingfisher Airlines has slashed air fares between 21% and 65% on various routes across its network with effect from January 1," Mallya said in a statement.

34. Fare cut unlikely on international routes: Jet

4 Jan 2009, IANS

NEW DELHI: India's leading private carrier Jet Airways, which cut domestic fares by up to 40% last week, said it has no plans to slash fares on international routes.

"We don't have any proposal right now to cut fares on our international routes," Jet Airways spokesman A.K. Sivanandan said.

An official of another airline expressed the same view, saying Indian carriers were unlikely to cut international fares as they already offer "competitive fares".

"We already offer competitive fares on our international routes. Even when aviation fuel was at the peak levels, we offered the lowest fares on many international sectors," the official, who did not want to be named, said.

Three Indian operators - Air India, Jet Airways and Kingfisher Airlines - are operating on domestic as well as international routes.

The airlines are, however, looking at offering concessions and other incentive schemes on international flights like the 'free companion travel' announced by Jet Airways.

Besides Jet Airways, Kingfisher and Air India also announced fare cuts on domestic routes following downward revision of jet fuel prices. While the state-owned Air India slashed fares up to 82% in at least 20 sectors, the UB group-owned Kingfisher announced a 21 to 65% fare cut on various routes.

However, airlines officials said low-cost carriers like IndiGo and SpiceJet were unlikely to reduce fares as their rates are already "lower" and comparable to other carriers now.

35. Centre injects Rs 7,500 crore in education system

4 Jan 2009, PTI

NEW DELHI: The UPA government has injected a massive dose of investment to provide higher education to students belonging to minorities, SC, ST and OBC communities.

The Centre has earmarked a whopping Rs 7,500 crore during the 11th Plan period to provide scholarships to over 80 lakh meritorious students seeking higher academic and professional qualifications of minority, SC and ST communities besides young scientists.

Besides, some of the ongoing schemes for SCs, STs and OBC have been streamlined, substantial backlogs cleared and procedures simplified which resulted in nearly 1.45 crore young persons getting these benefits last year.

The Department of School Education and Literacy has started a Rs 600 crore National Means-cum-Merit Scholarship in 2008-09 which is projected to benefit 11 lakh students in five years. Similarly, the Rs 1,515 crore National Scheme of Incentives to Girls for Secondary Education would cover 52 lakh girls.

So far, an amount of Rs 203 crore has been spent on providing scholarships to 5,332 SC students to pursue M.Phil and Ph.D programmes under the "Rajiv Gandhi National Fellowship", started by the Ministry of Social Justice and Employment in 2005-06.

The government has earmarked Rs 45 crore for a new scholarship known as "Scheme for College and University Students". The Scheme which has been cleared by the Cabinet Committee on Economic Affairs (CCEA) is likely to benefit nearly 82,000 students.

36. No job cut in Tata Steel, says MD

2 Jan 2009, 1652 hrs IST, PTI

JAMSHEDPUR: Tata Steel managing director B Muthuraman has ruled out any job cut in the company, giving credit to its strong internal structure.

"I believe jobs are protected in the company as Tata steel do not focus on profit alone but our strength is our high internal structure," he said.

Muthuraman, however, was disappointed by the delay in their proposed greenfield projects in Jharkhand.

"We want to put up a steel plant, create employment opportunities but I am disappointed by the delay," he said, adding that "even if we think to opt out of Jharkhand, it would only cause revenue loss to the

state government."

Referring the two memorandums of understanding that Tata Steel had signed with the Jharkhand government in 2004, he said Tata Steel was the only company which had invested in Jharkhand.

He said that he was more concerned about the demand rather than price cut in the steel sector.

Interacting with the editors of the local dailies here on the occasion of New Year last evening, Muthuraman said even at the present stage, the prices of steel was not bad compared to 2001, when the steel prices was 200 dollar per tonne.

Currently, the prices of steel came down from 1,100 dollar per tonne to 500/600 dollar per tonne in view of the slowdown world-over.

37. 9 new SEZ proposals despite slowdown

4 Jan 2009, PTI

NEW DELHI: The government has received nine fresh proposals for setting up special economic zones despite the industry losing appetite for investment in the tax-free enclaves on lack of business confidence in difficult times.

The Board of Approval (BoA) in the commerce ministry will consider on January 15 new proposals, including those of infrastructure major Larsen & Toubro and JSW Group.

L&T, which has already received approval for three SEZs, proposes to set up another zone for IT and ITeS in Maharashtra, sources said.

BoA, chaired by Commerce Secretary G K Pillai, will also take up proposal from steel giant JSW Group for setting up an SEZ for aluminium in Andhra Pradesh.

The group already has two approvals in its pocket for such projects. While the West Bengal project would be for steel products, it would be a port-based venture in Maharashtra.

SEZs, which remained the favourite investment destinations for the last three years, started losing sheen towards the fag end of 2008 as promoters, especially those in the real estate business, found few takers for the units in these enclaves.

Investors' frenzy has given way to withdrawal symptoms, though well over 270 tax free zones have been notified by the government. Several realty players which saw a great opportunity in the SEZs have developed cold feet on these investments.

38. India to be 4th strongest economy post-global crisis: Assocham

4 Jan 2009, PTI

NEW DELHI: India will emerge as the fourth strongest economy among the G-20 countries after China, Russia and S Korea from the global crisis, given its robust forex reserves, high GDP growth rate and various fiscal and monetary measures taken to tackle the downturn, a study said.

Developed economies like the US, UK and Japan would fare relatively bad in terms of their emergence from the crisis with a ranking of 11th, 12th and 13th respectively, Assocham said in its study titled 'India & G20: Economic fundamentals amid global recession'.

The study considered seven economic indicators relating to size of the economy, spending power, tax structure, interest rate policy, budget balances, debt burden and foreign exchange reserves.

"India, along with China, Russia and South Korea would emerge stronger out of the current crisis as they enjoy strong economic foundations based on foreign exchange reserves, higher growth rates in

GDP per capita and sound monetary policy measures," the chamber said.

India ranked last (19th) in terms of budget balance as a percentage of GDP and 12th in terms of public debt as a percentage of GDP, it said, adding that low ranking on these indicators gives the country key challenges to announce heavy fiscal stimulus package, it said.

In terms of foreign exchange reserves that provide a cushion to protect an economy from speculative capital movements, India is placed at fourth position preceded by Russia, Japan and China, it said.

The G-20 members are the finance ministers and central bank governors of 19 countries, including Argentina, Australia, Brazil, China, France, Germany, India, Japan, Russia, South Africa, South Korea, the UK and US.