

## Newsletter, 20-II-2010

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#### **A: ENTREPRENEURSHIP; DEVELOPMENT; GENERAL ITEMS**

##### **1.Economy to grow by 7.5% this fiscal, over 8.5 in next: FM**

India's economy is poised to grow by 7.5 per cent this fiscal and will top 8.5 per cent in the next on the back of a strong industrial recovery, finance minister Pranab Mukherjee said. The Industrial Production figures suggest the economy will grow by 7.5 per cent this fiscal and perhaps over 8.5 per cent in the next fiscal. The Index of Industrial Production, or the measure of the country's factory output, surged to a 16-year-high of 16.8 per cent in December, led by a robust performance by manufacturing, particularly consumer durables, indicating that demand was picking up across sectors.

##### **2. Goa's Monte Music Festival 2010**

It's that time of the year again when people make their way to a forgotten chapel on a hill for an annual pilgrimage they eagerly look forward to, arriving at one of Goa's most spectacular locations, Our Lady of Monte Chapel in Old Goa. This picturesque place provides the perfect ambience for a three-day series of concerts that begin at dusk. Artists from all over the country come together to celebrate heritage and music in this quaint and rather off-the-touristy-circuit destination. The event marks the forgotten love affair between India and Portugal. Colonial romances are reminisced and shared histories relived. From Portuguese choirs to Kuchipudi dancers to Indian sopranos, the festival, since its inception in 2002, has had all kinds of performances for the discerning spectator. Artists dressed in formal attires offer a glimpse to the audience about their history and culture.

##### **3. SBI turns venture capitalist, to lend Rs 10 lakh free of interest**

State Bank of India (SBI) will provide interest-free seed capital of up to Rs 10 lakh to aspiring entrepreneurs under a new scheme, SBI SMILE, which is specially targeted to encourage small and medium enterprises in the country. The scheme will be in place initially for one year, after which the bank could extend it, if the situation warrants. Under the new scheme, SBI will provide the seed capital and entrepreneur will also be able to seek a loan. Loan terms and interest rates will be determined as per the existing guidelines. "There will be no interest on the seed capital. You can pay that amount after you've serviced your loan," Mr Bhasin said. The bank will offer a five-year moratorium on paying the seed capital amount.

#### **4. There's nothing' like this book festival in Jaipur**

There is a new date on the international glamset's calendar: the third week of January, Jaipur, India. It is standing room only at the Jaipur Literature Festival, now in its fifth year. Students, film stars, authors and poets spill out into hallways, while the *Daily Beast* editor, Tina Brown, does the rounds on the front lawn in a little black dress and sunglasses. The US ambassador grins hard at anyone who looks him in the eye, and the Queen of Bhutan regales listeners with tales of leaving her country for the first time as a six-year-old, strapped to a mule. "There's nothing else like this," said William Dalrymple, the festival's organiser and a celebrated author. "We don't have an office and we can't afford to advertise. So it's all word of mouth."

#### **5. Right To Education Act to be implemented from April**

The Right of Children to Free and Compulsory Education Act, which was passed by Parliament in August last year, provides for free and compulsory education as a fundamental right of every child in the 6-14 age group and earmarks 25 per cent seats to children from economically weaker sections in private schools. However, the Act is yet to be implemented as the government has delayed its notification. The government was in the process of finalizing funds sharing between Centre and the states for implementing the Act.

#### **6. UP to invest Rs 248 crore for village industries**

To speed up economic emancipation of rural folks in Uttar Pradesh, the state government will invest Rs 248 crore during 2010-11 for setting up 9,500 village industries. These units are expected to provide employment to around 82,000 people, while most of them are likely to come under the khadi segment. Besides, the government intends to provide interest free loans to entrepreneurs for setting up industrial units in the state.

#### **B: IT; ITES; R&D; TELCOS; TOURISM & HEALTH T.; SERVICES**

#### **7. Sahyog Foundation lines up Rs 1,100-cr health projects**

Sahyog Foundation, a city-based non-profit organization, would invest Rs 1100 crore in setting up a medical city spread over 300 acres at Jagatpur near Cuttack as well as a medical college and hospital at Keonjhar. The amount will be raised by the foundation through a mix of debt and contributions from the promoters and Non-Resident Indians (NRIs). The Keonjhar project which is being taken up on the public private partnership (PPP) mode at an investment of Rs 200 crore will have a medical college with an intake of 50 seats to begin with and a 300-bed hospital.

#### **8. IIT-B & doctors use nanotech to treat cancer**

In a step that has the potential to revolutionize treatment of retinoblastoma—a rare cancer of the retina that mainly affects children under two years of age—the IIT-B and doctors from Tata Memorial Hospital in Parel and Apollo Hospital in Hyderabad have developed a nano-particle that could conquer the child killer. Guntur-based teenager, Shirin Thakur, has been suffering from recurrent retinoblastoma since she was two years old. Last week, she took the third shot of a special concoction—nano-particles of carboplatin that is commonly used to treat retinoblastoma—into the tissues around her left eye. Standing in an antiseptic corner of Apollo Hospital in Hyderabad along with her doctor, Dr Debraj Shome, who has been working on the project for five years, the 17-year-old said: "I have been suffering from attacks of retinoblastoma in my left eye since I was two. Even in the US, they told me there is no hope but to remove my eye." Now, she has "fuzzy" vision in the nearly blind eye. "My vision gets better every day."

#### **9. IT exports to touch \$50 billion**

Nasscom has forecast a strong recovery for India's software exports, and said it expected the sector to add another 150,000 jobs in the next fiscal. The IT industry body also estimated that the sector would hit the landmark \$50 billion export figure this year, and the association's president Som Mittal called it a "historic moment".

## **C: AGROBUSINESS; RETAILING**

### **10. SEZ exports rise by 127 per cent in Apr-Dec 2009**

Exports from special economic zones (SEZs), or tax free enclaves, during April-December 2009 grew by a robust 127 per cent to over US\$ 32.14 billion year-on-year. The total investments in the zones was at US\$ 27.51 billion as on December 2009. According to L B Singhal, Director General at Export Promotion Council for EOUs & SEZs, exports from the Special Economic Zones (SEZs) in the first nine months of 2009-10 was at US\$ 32.53 billion compared to US\$ 14.28 billion in the same period last year. SEZs have created additional employment to 154,025 people during the period.

### **11. M&M inks licensing pact with Mitsubishi for rice transplanters**

Farm equipment and utility vehicle major Mahindra & Mahindra (M&M) on Thursday said it has forged a licensing and technology transfer agreement with Mitsubishi Agriculture Machinery (MAMC), a unit of Japan's Mitsubishi, to make rice transplanters for the Indian market as well as for exports. With MAMC technology, M&M will make rice transplanters at its Nagpur facility. The company did not disclose the fees it will be paying to the Japanese firm. M&M targets to sell around 5,000 transplanters in a year in the domestic market, under the Mahindra brand. The product will also be exported to China and SAARC countries.

## **D: INDUSTRY**

### **12. Industrial production grows 16.8% in December**

Helped by sustained domestic demand, India's industrial production grew a better-than-expected 16.8 percent in December 2009 from a decline of 0.2 percent in the corresponding month of 2008, official figures released on Friday said.

### **13. GM India to start 2nd shift at Talegaon from March**

Second shift operations were originally planned from June, but the company decided to prepone it to March, as the Chevrolet Beat saw over 10,000 bookings in the first 26 days. The B+ segment car, launched in January, has a waiting period of two months, informed P Balendran, director and vice-president corporate affairs, GM India. He said from March the company would scale up production to 400 units per day at Talegaon, from 200 units a day at present.

### **14. Tata Motors gets global CEO**

In a step to accelerate his global ambitions, Ratan Tata has picked up former General Motors' Europe head, Carl-Peter Forster, to drive the Tata group's flagship company, Tata Motors, into the new decade. As group CEO of Tata Motors, Forster will spearhead not only the global operations of the company, such as JLR and Tata Daewoo, but also oversee the Indian operations. The 55-year-old German national will be based in Mumbai and will be inducted on to the board of Tata Motors, according to officials from Tata Motors. Forster will be the third expatriate at the helm in the \$71-billion Tata group, after Raymond Bickson of Indian Hotels Company, which runs the Taj chain, and Peter Unsworth of Tetley group.

### **15. LG India to invest Rs 1400cr by 2013**

The Indian unit of South Korea's LG Electronics is to spend Rs 1,400 crore over three years to hike capacity and build a third factory, possibly in Chennai, as it looks to step up production in a key market poised to become its second-largest by revenues. "This year LG India will become a clear No. 3 and over the next few years, will overtake sales in South Korea where the market is flat," said LG Electronics India CEO MB Shin, adding that India is now neck-to-neck with Brazil and Russia as the third-largest contributor to global revenues behind the US and South Korea.

## **E: BASICS; INFRASTRUCTURES; EMPLOYMENT; FDI**

### **16. Global firms come calling for top talent**

Global enterprises have started scouting the country for quality talent to fill positions across geographies. Recruitment companies say Europe, Africa, Asia-Pacific, Middle East and the rest of the SAARC region are expected to import talent from India across profiles and domains, in significant numbers. According to industry estimates, close to 100 top level executives (CXO positions) and 30,000 middle to junior level hiring across profiles and domains are expected during the year and these numbers are expected to only go up in the coming years.

### **17. IT biggies on hiring spree, 100.000 people to join workforce**

Last week, the country's largest software exporter TCS said it would increase headcount by 30,000 in next fiscal year while Infosys announced plans to hire 16,000 people this year. Of the 12 companies which have announced their hiring plans, BPO giant Genpact said it would hire 10,000 people. Besides, IBM is looking at recruiting 5,000 followed by Infosys BPO (2,000), Accenture (8,000) and Mphasis (2,000). Going by Gartner estimates, the domestic IT market is expected to grow by 19-20% in 2010, a sharp rise against a 2.6% growth in 2009.

### **18. Bhel to hire 8,000 in next two years**

Bhel had set a target to add 20,000 people in the current Five-Year Plan (2007-12), of which over half have already been enrolled. The power equipment manufacturer would be adding another 8,000 people in the remaining two years of the plan period. About 12,000 of the company's workforce is due to retire in the current plan period, another official said. Currently, the company has about 48,000 employees. Bhel manufactures equipment that can generate 10,000 MW electricity and is planning to ramp up this capacity to 20,000 by the end of the XIth Five-Year Plan. Rao also said that Bhel alone cannot be blamed for the delay in supplying equipment to power projects as the country aims to add 78,000 MW electricity by 2012.

### **19. Posco eyes Rs 10,000 cr plant with SAIL**

Posco, the South Korean steel behemoth, has offered to set up a Rs 10,000-crore joint venture plant with Steel Authority of India Limited (SAIL) in the industrial town of Kulti, Burdwan, about 200 km from Kolkata. Land acquisition will not be an issue here, because the project will come up on the land of Growth Works, a SAIL-owned plant that is in the red. Posco (Pohang Iron and Steel Company), which is locked in a long and bitter land dispute for its Rs 52,000-crore plant in Orissa, has recently got clearance from the Union environment ministry to acquire forest land for the Orissa project. Wiser by the five-year ordeal, it is looking for 'clean' land for its venture with SAIL. The Kulti Growth Works fits the bill. It would take only an agreement with SAIL to start the project.

### **20. ONGC bags \$19bn oil deal in Venezuela**



This is the first big-ticket success for ONGC Videsh, ONGC's overseas arm that will represent the parent in the grouping, since its acquisition of then London-listed Imperial Energy for over \$2 billion in 2008. Carabobo-1 will also be ONGC Videsh's second project in Venezuela after San Cristobal. The Carabobo-1 acreage is estimated to have 31 billion barrels of recoverable reserves and will take \$19 billion to develop, starting with a \$9 billion initial investment. The grouping will pay a little over \$1 billion as signing amount and also extend a loan of similar amount to Venezuela's state oil firm PdVSA. The group also has Spain's Repsol and Malaysia's Petronas as ONGC's equal partners with 11% each, while northeast explorer Oil India Ltd and refiner-marketer IndianOil Corporation are minority partners and have 3.5% each. Together as a bloc, the Indian holding will, thus, be 18%.

#### **21. Adani Power enters MP with 1320 Mw power project**

Currently APL along its subsidiaries is developing a number of power projects to the tune of 11880 Mw including 4620 Mw and 2640 Mw at Mundra and Dahej respectively in Gujarat, 3300 Mw at Tirodain Maharashtra and 1320 Mw at Kawai in Rajasthan. "With the addition of this project, total generation capacity would cross 13000 MW, which is in line with our shared vision to put up 20000 MW by 2020," said Gautam Adani, chairman, Adani Group. As per the LoI, 300 hectares of land, presently in possession of Madhya Pradesh State Electricity Board (MPSEB), along with the infrastructure facilities, will be transferred to APL.