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Indian Parliamentary Delegation visits Switzerland

An 18-member Indian Parliamentary delegation led by Hon'ble Minister of Parliamentary Affairs and Water Resources, Mr. Pawan Kumar Bansal paid a goodwill visit to Switzerland from April 1-4, 2010. The delegation included Hon'ble Minister of State for Parliamentary Affairs and Planning, Mr. V. Narayanaswamy, 12 Members of Parliament and 4 officials from the Ministry of Parliamentary Affairs. On April 2, Hon'ble Minister met the Indian community and hosted a Reception at Hotel Hilton, Zurich. Prominent members of the Indian community participated in the event.

India Inc's billion-dollar sales club swells

Close to two dozen Indian companies joined the billion-dollar revenue club over the last two years, reflecting the strength of Asia's third-largest economy that came out unscathed from the most severe global economic crisis since the Great Depression. According to an ETIG study, which analysed the projected net sales for the 12 months ending March 31 using data available for the first nine months of the fiscal year, the number of companies in the billion-dollar club went up to 124 compared with 104 in the year ended March 2008. Cipla, Lupin, Tata Tea, Tech Mahindra, Lanco Infratech, IVRCL Infrastructures and Bharat Electronics are among the firms that joined the billion-dollar revenue league in the last two years. Some like Motherson Sumi Systems and Apollo Tyres, which gained size through global acquisitions, also figure among the entrants. The comparison has been made with FY08, which was the last year to record 9%-plus economic growth. India's economy expanded 9.1% in FY08, before the global economic downturn pulled down growth rate to 6.7% in the next year. The Government expects a growth rate of 7.2% for the current fiscal year. Infrastructure and agriculture firms dominated the list of new entrants to the billion-dollar revenue club, as these sectors remained more-or-less

unaffected by the economic downturn.

FII net inflow in equities crosses \$2 bn

The strong post-budget rally has seen the net inflow from foreign institutional investors (FII) crossing the USD 2-billion-mark so far this year. An analysis of the net FII fund flow into the domestic equities shows that overseas investors have parked a hefty USD 2.02 billion (Rs 9,189 crore) in the domestic stocks as on March 9. As per the latest data available with the capital market regulator, Stock Exchange Board of India (SEBI), foreign institutional investors have been gross purchasers of equities worth Rs 1,20,128 crore (US \$ 2.66 billion) so far this year, while they sold stocks valued at Rs 1,10,938.7 crore (US \$ 2.46 billion), resulting in a net inflow of Rs 9,189.60 crore (US \$ 2.02 billion). Significantly, post-budget, the Bombay Stock Exchange barometer Sensex had hovered at 18,000 points.

Exports grow 11.5 per cent in January 2010

India's exports grew at a rate of 11.5 per cent on a year-on-year basis in January 2010. Exports stood at US\$ 14.34 billion in January 2010 compared with US\$ 12.86 billion in the same month a year ago. In November and December 2009, exports grew 18.2 per cent and 9.3 per cent respectively. Global trade in goods recovered in recent months, recording growth of nearly 5 per cent in December 2009, signalling increase in demand for India's exports. Furthermore, higher imports of inputs also point towards a strong revival of exports in the coming months. According to Ajay Sahai, Director General, Federation of Indian Export Organisations (FIEO), India's trade data shows that import growth is in tandem with the performance of the manufacturing sector which is growing at 15 per cent to 16 per cent.

Port traffic keeps on surging

With economic activity picking up in Europe and across many other countries, Indian

ports have registered growth for the seventh consecutive month in February over the corresponding period last year. In February, the major ports handled cargo of 45.8 million tonnes, 1.3% higher than the 45.2 million tonnes in the corresponding month in 2009. For the 11-month ended February 2010, ports recorded a cargo growth of 5.5% compared with the same period in the 2009 fiscal, according to data from the Indian Ports Association (IPA). Paradip saw the highest increase in cargo traffic during the period at 26%, Mormugao rose 15.3%, Tuticorin increased 12.2% while JNPT and Chennai rose by 5% each. In cargo traffic, container tonnage increased 7% over the previous year, with iron ore increasing 5.8% and coal traffic rising 3.22%.

India to overtake China in growth by 2018: EIU

Economist Intelligence Unit (EIU), the research arm of London-based Economist magazine said that India will overtake China to become world's fastest growing economy by 2018. Because of the favourable demography — higher percentage of working population — India's growth rate will continue to remain on the higher side, said Anjalika Bardalai, senior analyst at EIU. At present, China is the fastest growing economy in the world. Bardalai said that in consideration of strong fundamentals, EIU's long range forecast suggested that India would sustain an average annual growth rate of 6.4% to 2030. However, for the current financial year, Bardalai added that the Indian economy would grow at 6.8% only. She highlighted that the growth rate will pick up to 7.7% in 2010-11 and 8% in 2011-12. According to EIU, inflow of investments through foreign institutional investors (FIIs) will touch \$75 billion by 2014, which is currently hovering at around \$36 billion.

Automobile exports up 16 per cent in April-February 2009-10

According to government data, automobile exports stood at 1.645 million units during the 11-month period of April-February 2009-10 against 1.416 million units in the year-ago period, India's automobile exports during the 11-month period grew by 16 per cent, generating a revenue of US\$ 35.55 billion, up from US\$ 28.1 billion in the corresponding period a year ago. The growth is led by Maruti Suzuki

India Limited, Hyundai Motor India, Ford India and Ashok Leyland. Exports are likely to grow further as India is yet to fully exploit the potential of small car exports from the country, according to industry experts. Goods carriers have registered maximum growth at 47 per cent in exports during the period, followed by multi-purpose vehicles, three-wheelers and two-wheelers.

Rider in new ruling makes FII income tax-free

In a landmark ruling on taxing of income from derivative transactions by foreign institutional investors (FIIs), the Authority of Advance Ruling (AAR) has said that such income would be classified as "business income". However, to tax a business income, the laws require a permanent establishment of the FIIs in India. Tax experts say it is a big relief for FIIs, since most of them operate from offshore with the help of local banks which act as custodians of such transactions. The ruling, announced in March, 2010 was for Royal Bank of Canada (RBC), a registered FII in India with Citibank as its settlement agent here. RBC had sought an advance ruling for a clarification on taxing the profit earned/losses incurred from transactions in future and option contracts traded on Indian stock exchanges. The experts say the ruling now overrides Section 115AD of the Income Tax Act which deals with taxation of income by FIIs from securities or capital gains arising from transfers. In India, while business income for local companies of foreign entities is taxed at 55 per cent, capital gains is taxed at 20 per cent or less, depending on whether they have a double taxation avoidance treaty and rates specified therein. However, to tax a business income, the company has to have a permanent establishment in India. RBC, in its filings, had showed that it had a representative office in India but was engaged in core banking activities and did not play any role in FII related activities.

FDI in different sectors

The Government has put in place a liberal and investor friendly policy on Foreign Direct Investment (FDI) under which FDI up to 100% is permitted on the automatic route in most sectors/activities. The policy on FDI is reviewed on an ongoing basis through an inter-ministerial consultation / process, with a view to rationalize/simplify the policy and to

attract FDI in more industries and sectors. The Government's decisions on FDI policy are notified by way of Press Notes which are available at the website of the Department of Industrial Policy & Promotion: <http://siadipp.nic.in/policy/changes.htm>.

Prime Minister conferred with World Statesman Award

The Appeal of Conscience Foundation has announced that it would be conferring the World Statesman Award for the year 2010 on the Indian Prime Minister, Dr. Manmohan Singh during the month of September, 2010. Earlier recipients of the award include Brazilian President Luiz Inacio Lula da Silva in 2006, German Chancellor Angela Merkel in 2007 and British Prime Minister Gordon Brown in 2009.

Elgi Equipments acquires Belair of France

The board of Elgi Equipments (EEL), the Rs 500 crore (US \$ 111.1 million) -manufacturer of industrial compressors has approved the acquisition of Belair S.A – France, a company engaged in assembly, sales and service of industrial compressors, piping, fittings and accessories for more than 25 years. Currently, nearly 30 per cent of its products are exported to countries like the United States, Europe, Australia, South-East Asia and the Middle East. Besides exports, Elgi has been expanding its global footage aggressively by setting up subsidiaries in China, the Gulf and Brazil. Established in 1960 as service station equipment and reciprocating compressor manufacturing company, Elgi has become a market leader and Asia's largest integrated manufacturer of air compressors and automobile service station equipment. Its products are used in a wide range of applications in areas ranging from mining, defence, transport, pharmaceuticals, power, oil, railways, chemicals, textiles, printing to ship building, paper, electronics, telecommunications, medical, food & beverages and plastics.

TCS bags Rs 4,150-cr deal from UK govt

Tata Consultancy Services (TCS), the country's largest software exporter by revenue, is to administer the UK's National Employee Savings Trust (NEST) scheme's administered services under a 10-year deal, worth around £600 million (approximately Rs 4,150 crore). The contract, awarded by the UK's Personal

Accounts Delivery Authority (PADA), is divided into two stages, with possible extensions of another five years. The first stage will run up to October 2010, allowing TCS to begin the activity required to set up and administer NEST. Prior to the expiry of the first stage, a decision will be made on whether to proceed with the contract for the remainder of the contract term. The contract will cover services like employer participation, member enrollment, collection and reconciliation, cash management, accessing pension savings and administration of accounts.

Hindustan Dorr-Oliver acquires UK company

Engineering solutions company Hindustan Dorr-Oliver (HDO), part of Hyderabad-based IVRCL Infrastructures and Projects Ltd, has acquired Sheffield-based DavyMarkham, a 180-year-old company involved in design, manufacture and assembly of large equipment used in mining, power, oil, gas and nuclear sectors. HDO works across the oil and gas, power and uranium sectors. It is to invest in DavyMarkham, to expand the sales and marketing infrastructure to tap opportunities in India.

Aditya Birla Minacs buys UK-based BPO

Aditya Birla Minacs, the information technology business solutions firm, has announced the acquisition of UK-based Compass BPO, a finance and accounting (F&A) services provider, for an undisclosed sum. Through this acquisition, Minacs will take over all the operations of Compass across the UK, US, West Asia and in India, bringing Minacs' F&A employee strength to 600. The founders of Compass — David McCullough and Mark Atkins — will join Minacs' management team. With this acquisition, the Aditya Birla Nuvo Group company gets 38 customers in the F&A space. The announcement came on the heels of Minacs' recent inauguration of its new Global F&A Center of Excellence in Chennai. This would also help the company to reduce its voice transactions business. At present, over 70 per cent of the company's revenue comes from voice transactions. The company, with a revenue of close to \$350 million (around Rs 1,610 crore), is looking at an acquisition that will help attain significant capabilities in sectors like banking, financial services and insurance (BFSI), healthcare, procurement outsourcing and insurance.

India tops exporting generic medicines

According to Union Minister of State for Chemicals and Fertilisers Srikanta Jena, India tops in the world in exporting generic medicines worth of Rs 50,000 crore (US \$ 11111 million) and currently, the Indian pharmaceutical industry is one of the world's largest and most developed. Currently, the country, exports to more than 200 countries around the globe including the highly regulated markets of US, Europe, Japan and Australia. India exported drugs worth around \$8 billion in 2008-09, most of which to the US and Europe, followed by Central and Eastern Europe, Latin America and Africa. The country now ranks 3rd worldwide in volume and 14th in terms of value. The industry now produces bulk drugs belonging to all major therapeutic groups requiring complicated manufacturing technologies.

CFM opens training centre in Hyderabad

Commercial aircraft engines manufacturer CFM International, a 50:50 joint venture between France's Snecma (Safran Group) and General Electric Company of the US, opened its CFM56 (engine) training centre in Hyderabad. This is CFM's fourth such centre globally, with the other three being in the US, China and France. Developed by GMR Hyderabad International Airport Limited (GHIAL), the CFM56 training centre, the first tenant in the 'Aerospace Park' special economic zone (SEZ), will see an incremental investment of \$15 million (approximately Rs 70 crore) over the next decade, including initial start-up costs. Equipped with two fully dedicated engines - CFM56-7B and CFM56-5B, which power Boeing 737 and Airbus A320 aircraft and the tools required to conduct both theoretical and hands-on training - the new centre will offer courses in general familiarisation, line maintenance, borescope inspection and trend monitoring.

Manufacturing leads industrial output growth to 16.7%

Index of Industrial Production (IIP) data showed a marginal deceleration from the previous month but continued to post a robust growth rate of 16.7 per cent in January. The growth was primarily led by the manufacturing sector, especially for capital goods and consumer durables. The manufacturing sector grew at a robust rate of 17.9 per cent in

January as against a meagre growth of 1 per cent in the corresponding month last year. Mining and electricity also registered significant growth rates of 14.6 per cent and 5.6 per cent respectively during the month under consideration, as against 1.8 per cent and 0.7 per cent in January 2009.

India data centre services market to touch US\$ 2.2 billion by 2011

The data centre services market in the country, is forecast to grow at a compound annual growth rate (CAGR) of 22.7 per cent over the period between 2009 and 2011, to touch close to US\$ 2.2 billion by the end of 2011, according to the research firm IDC India. The IDC India report stated that the overall India data centre services market in 2009 is estimated at US\$ 1.39 billion. The report said that the growth in the market would be led by a quickly-evolving ecosystem consisting of data centre hosting players, high-speed internet service providers, system integrators and hardware vendors. In 2009, the verticals that accounted for 80 per cent of the revenue of third party data centre services were manufacturing and IT/IT-enabled services. In 2009-11, banking, financial services and insurance (BFSI) and manufacturing would show high deployment and captive data centres would grow at a 19.9 per cent CAGR.

Intel Cap invests Rs 105 crore in three Indian companies

Intel Capital, the investment arm of technology giant Intel, announced an investment of \$23 million (around Rs 105 crore) in three Indian technology firms - July Systems, KLG Systel and commodity futures electronic exchange MCX. It did not disclose the individual amounts invested. Intel will fund these investments through its \$250-million Intel Capital India Technology Fund, set up in 2005. Including these investments, Intel Cap has invested over 60 per cent of the fund. Intel Capital has invested more than \$9.5 billion in over 1,050 companies in 47 countries. The company has been investing in India since 1998. It has invested more than \$200 million (over Rs 920 crore) in India (including present announcements) across more than 60 companies. The company said it would focus more on new investments in 2010. Unlike 2009, when it chose to concentrate on portfolio firms and made follow-on investment. Intel Cap was one of the few

invest in the downturn as well. For 2009, the VC firm invested \$327 million, including \$100 million in new investments globally. It made 107 investments worldwide, including 25 new investments and 82 follow-on investments in portfolio companies. Of this, half its dollar investments were made outside the US and Canada. In India, last year, the VC firm closed five deals, of which three were follow-on. In 2008, Intel Cap invested \$51 million (Rs 233 crore) in nine companies in India – six of these were new investments, while three were follow-on.

Innovator of the Year award won by Indian MIT alumnus.

Kranthi Kiran Vistakula, an Indian alumnus of Massachusetts Institute of Technology (MIT) has been named the Innovator of the Year by Technology Review India, the technology magazine published by MIT. He received the award at the Emerging Technologies Conference, EmTech India on March 8, 2010. Vistakula, a postgraduate in Mechanical Engineering and Technology Policy Programme from MIT, has received the honour for designing a lightweight jacket weighing 650-700 gm that can keep a user's body between 18 and 40 degrees Celsius in temperatures ranging from minus 30 to plus 50. The heat exchange technology called ClimaCon applied by Vistakula can find uses in infant incubators and cooling large spaces such as auditoriums. Vistakula put the Peltier effect into application for achieving the purpose of overcoming the inconvenience of putting on additional layers of clothing in winter and started working on developing a jacket with the capacity to both heat and cool. It took him three years of experimentation to develop a new heat exchanger or heat sink in order to keep the jacket light.

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