



# INDO-US BUSINESS

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INDO-AMERICAN  
CHAMBER OF COMMERCE

## FOCUS

India's Credit  
Ratings up: '07-08  
GDP Growth to  
Touch 10pc

## SUCCESS STORY

Hindalco Buys  
Novelis for \$6 Bn

Energy,  
High-Tech  
Trade Key  
Areas - Gutierrez

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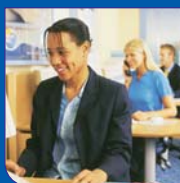
# In This Issue



## ★ COVER STORY

07

Energy, High-Tech Trade Form  
Key Areas Of Indo-US Tie-Ups



## ★ FOCUS

13

India Sovereign Credit Ratings  
Raised To Investment Grade;  
Outlook Is Stable



## ★ SUCCESS STORY

17

Hindalco Acquires US Firm  
Novelis For US\$ 6 Billion



## ★ DIPLOMACY

19

USINPAC's Mission India To  
Forge Stronger Ties



## ★ BIOQUEST

21

Drug Discovery & Development  
Biocon's Syngene In Research  
Pact With Bristol-Myers Squibb



## ★ CHAMBER NEWS

26

IACC Committed To Strive For  
AIDS Free India



## ★ NEWS

42

Apollo BPD Plans To Buy 2 US Firms

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before making business decisions using the same.





## Dear Reader,

Greetings. The past few months have been packed with events of immense importance for economic relations between India and the United States. In November-December, 2006 it was Franklin L Lavin, US Under Secretary of Commerce for International Trade, who led the biggest-ever business mission, comprising nearly 250 delegates to India. Members of the Mission visited six cities, met with scores of their Indian counterparts in small, medium and large enterprises, resulting in proposals for several joint ventures. Two months later came US Commerce Secretary Carlos M Gutierrez to meet top officials and business leaders. His mission was to expand bilateral trade, with focus more on increasing US exports to this country. In his interaction with Indian government and business leaders Gutierrez stressed the need to further open Indian markets with a reform agenda to attract more investment that could help expedite the pace of India's economic growth. He was all praise for India's achievements. The current issue of Indo-US Business highlights the Gutierrez visit in its cover story. Surely, India's esteem has gone up in the assessment of everyone that mattered, including global rating institutions. Recently Standard & Poor raised India's Sovereign Credit Rating to "Investment Grade." An economist at US investment bankers Lehman Brothers shares this positive view about India. He expects India's annual GDP growth to touch 10 percent in 2007-08 (April-March). This is a clear indication that India is able to sustain its economic growth. Precisely for this reason, more and more US investors are visiting India as part of visiting business missions in recent months. The goodwill that India has earned in international markets is quite strong. Taking advantage of this strength, Genpact, one of India's largest BPO companies, is planning to rise \$600 million in the US market through an IPO. All these developments form the current issue's Focus section. In the recent past, Indian companies have created corporate history through massive acquisitions of foreign firms. Hindalco, one of Aditya Birla group's prized corporate entity producing aluminium, acquired the US firm Novelis, a world leader in aluminium rolled products, for \$6 billion. We report it as a great success story. Along with pharmaceuticals, India has taken great strides in biotech and life sciences sectors. We carry two articles, one on Biocon's research pact with a US company and the other on Jupiter Biosciences setting up a peptide plant in the US. Then we have plenty of corporate news followed by news of various events and activities of different branches of Indo-American Chambers of Commerce. Besides all these, we carry other regular features as usual.

Wish you happy reading

**Satya Swaroop**

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## ***My Dear Fellow Members,***

Spiraling inflation is now a major concern and the Government is taking a series of measures to contain it. In my last message in this column, I had referred to the looming inflationary pressures on the economy, although its impact was not very visible at that time. I firmly believe that we have to dissect the reasons behind the inflationary pressure to arrive at an optimal mix of solutions to address it in the right perspective.

Undoubtedly, the creeping inflation would have taken everybody, including the Government and RBI by surprise. The reasons are not far to seek. Thinking in the official circles was that the inflation would hover around 4 to 5 per cent triggered by the lag effect of increased fuel prices and the impact of accelerated growth of the economy, which has fell short of a double digit growth-9.2 per cent to be precise. Indeed, the economy grew at a faster pace some 18 years back. But that was the growth benchmarked against a low base and in absolute terms, growth figures were moderate. Now Indian GDP is pegged close to a trillion dollar and any growth from such a huge base could be substantial. Significantly, manufacturing sector grew at over 12 per cent, closely followed by services and a relatively lackluster performance by the agricultural sector. Growth of this magnitude will leave its own trails in the economy. A partial overheating of the economy is a natural corollary.

The heightened growth trajectory of the economy has happened in the midst of a booming manufacturing and services sectors. What lagged behind in growth prospects was agriculture, which is still

posting a growth between three and five percent. This is grossly inadequate to keep the supply side ticking. Low productivity of agriculture and marginal farming are putting only limited primary agricultural goods into the stream, leading to shortages. There is a catch 22 situation that one has to visualize at this juncture. Indiscriminate imports of primary agricultural goods will depress the domestic prices and the farmers will not have the incentives to produce. They will keep the land fallow and also their purchasing power would take a major dip leading to curtailment of aggregate demand on every possible product including agricultural, consumer and industrial items. Historically, we have tried to put a tight leash on the price spiral of the primary agricultural goods lest it should have an adverse impact on the economy. But slowly such things are changing with the active functioning of commodity future exchanges, which helps the farmers to hedge the risks emanating from future dip in prices. What then feasible is increasing the productivity of agriculture, which does not compare well with the international benchmarks and not imposing a blanket ban on such commodity exchanges, though a vigil should be kept on them not to let the speculative deals go out of hand.

Foreign Investment- FDI, Portfolio and hedge funds- are at a record high and many of them are coming in the most wanted segments. In the coming months and years, the inflow will assume higher proportions because of the peculiar situations in Japan and China. Foreign exchange reserves in these countries are either crossed a trillion mark or on the verge of it. The central banks



in the countries are taking specific steps for curtailing the accelerated flow of the foreign exchange, particularly to prevent the local currencies from hardening. They are also encouraging outflow of foreign exchange. Some of these excess reserves will be channelized for investment abroad either as FDI or portfolio or hedge funds. India-where return on investment is much higher than the developed markets, will be natural destination for these funds. Some caution has to be applied so that the accelerated flow of foreign exchange will not create adverse impact on the economy. RBI has to sanitize the flow of foreign exchange by pumping into circulation equivalent rupee into circulation to buttress the volatility of the rupee. That explains the increased rate of money supply (M3) in the economy, which presently has shot up to over 22 percent, while the safe limit prescribed by the RBI is at around 15 per cent. Needless to say, this increased money supply has had its impact on the inflationary pressure.

Yet another aspect of present inflation is the pump priming mostly to meet the requirement of the job guarantee scheme. It is reported that an amount exceeding Rs 15,000 crores are pumped into the stream for meeting such expenses. That will not only widen the budget deficit but also impact the price line. And yet the same time, no concrete effort are being made to cut the subsidies and to divest the public enterprises, which could have enabled the Central Government to cut down the expenditure and to realize additional resources for development works. It is also instructive to bear in mind that the governmental expenditure, particularly the revenue expenditure -would go up once the Pay Commission Report is out, which in all likelihood would recommend an across the board upward revision of the salaries and

perquisites of the Government employees.

In conclusion, I might refer to the recent cover story of the Economist, which referred to Indian economy as an overheated one. Regular readers of Economist might notice the nomenclature (in good progression) that the widely respected magazine tooled to refer to India. From an Uncaged Tiger to India Unbound to India Overheated seem to explain different trajectories India Inc has been undergoing since the reform process has started. Each trajectory has thrown up its own challenges and prospects. We have countered the challenges and consolidated on the prospects. This critical time space also should be used to our advantage. The foremost that we have to do in this regard is not to listen to the doomsayers, who besmirch us to believe that in India an 'East Asia Meltdown' is looming large. We have to negate this hypothesis by putting our act together and addressing the issues collectively and not by wishing away that such situations cannot happen in India. We are succumbing to the doomsayer's pressure if we reverse the reform process. Yes, correctives we can apply by judging what is good for our one billion population. Our ultimate aim should be inclusive development of all our citizens and not islands of prosperity. For that, economic laws alone can find the solution. Development and growth should be measured not merely by the aggregates and macro-vectors. We have to bring our one billion population to the mainstream. That means the economic laws should be guided by principles equity and fairness. That should be our avowed objective- Looking Beyond Growth.

**Deepak Pahwa**

National President, Indo American Chamber of Commerce



## Energy, High-Tech Trade Form Key Areas Of Indo-US Tie-Ups

**U.S. Commerce Secretary Carlos M. Gutierrez has recently addressed the US India High Technology Cooperation Group in Washington, DC emphasizing that both civilian nuclear energy and clean energy as well as high-technology formed key areas of collaboration between the US and India. Excerpts.**



**Carlos M. Gutierrez**

There is a natural alliance between the world's oldest democracy and the world's largest democracy. While President Bush's historic visit last March (2006) was a visible example of that priority, the ongoing shared values, commitment to democracy and enhanced engagement on all levels signifies the great importance of our partnership.

I know Deputy Secretary Sampson addressed this group earlier in the day. Our presence reinforces the commitment the Bush Administration has to strengthening the U.S. and India relationship. I've just returned from India and it was a wonderful and eye-opening experience.

During my visit I was struck by just how far India has come in a short time -- the economic growth is incredible. It's no wonder global businesses and investment companies are clamoring to get into such a dynamic market:

- In the past year, India's economy grew by more than 9.0 percent.
- Total U.S. exports to India have doubled to \$10.1 billion since 2003.
- Over the last five years, advanced technology exports

alone were up 145 percent to \$3.3 billion.

Few markets are more exciting, or more significant than high tech. We appreciate your leadership and commitment to working with us to streamline the process as much as possible. We have made good progress on many fronts.

During my trip, I talked with government business leaders about opening India's market further, and forging ahead with a reform agenda to attract more investment and maintain the strong pace of growth. Every country in the world is competing for capital. And capital will go to those markets that welcome investment.

It is fitting that I am addressing this audience so soon after my visit. The US-India Business Council should be congratulated for its role in fostering civilian nuclear cooperation, supporting our bilateral Commercial Dialogue, and performing a key role in this High-Technology Cooperation Group (HTCG).

When I met with Science and Technology Minister Kapil Sibal recently, he encouraged us to look at developing deeper ties between our private sectors in several key areas: space, energy, environmental technologies, disaster management and healthcare.

I challenge those of you here today to recommend practical commercial applications and solutions, so that we can, as Minister Sibal put it, "send a signal to the rest of the world."

This is very much in keeping with what Prime Minister Singh said to me that "our partnership is based on pragmatism and principle."

### Commerce Has Many Strategic Partnerships

The Commerce Department is working to enhance our commercial and strategic partnership. There are many opportunities for engagement, from oceans research to patents and trademarks.







Under Secretary Lavin recently led the U.S. government's largest business development mission ever - 250 business people went to India in search of export opportunities.

Clean energy is one area in which we can partner for commercial and environmental success. The Commerce Department will shortly lead a Clean-Energy Technologies Trade Mission to India. The nuclear agreement is another example.

This group continues to be a key forum that delivers significant results. You've made an enormous contribution to advancing high-technology trade and collaboration, while strengthening our shared non-proliferation objectives.

This is an effective forum for our governments to discuss strategic trade issues, but it is also a unique partnership that gives business executives from both nations a chance to share ideas with senior government officials.

And this collaboration has delivered real results. Today, less than one percent of U.S. exports to India require an export license. That is truly remarkable if you consider that in 1999, 24 percent of total U.S. exports to India had to be licensed.

## There is More To Be Done

We must continue to identify and remove obstacles to closer economic ties. In a few months, our "Trusted Customer" program for high-tech exports to India should be up and running. This will be a significant development for two reasons.

First, the Trusted Customer program will greatly facilitate high-tech trade. For some controlled dual-use high-tech products, no export licenses will be required. Customers who qualify for this program will have access to U.S. high technology products in a faster, more efficient, and more transparent manner.

Second--and perhaps more important--the new program shows the deep level of trust and cooperation we have for each other. Trust is absolutely vital in business.

There are other reforms--opening markets in sectors where obstacles remain, further reducing tariffs and getting tougher on enforcing IPR and protecting IP and pharmaceutical test data--that will benefit India's economy and consumers, while maintaining the current growth trajectory.

Our nuclear agreement was an historic step forward for both our countries. Civil nuclear cooperation will enhance energy security, while increasing trade and technological collaboration.

India is now the world's fifth-largest energy consumer.

India's demand for electricity is expected to double by 2015. International civil nuclear cooperation is critical for India to meet its growing energy needs and environmental challenges.

U.S. businesses are ready and well-qualified to participate in India's civil nuclear program. And the economic benefits will flow both ways between the United States and India.

Now that the U.S. Congress has approved the agreement--the next step is India's. India will need to conclude a safeguards agreement with the International Atomic Energy Agency so that it can reach a bilateral agreement with the U.S.

Only after these agreements are concluded can the Nuclear Suppliers Group allow nuclear trade with India. Given how far we have come, we hope India will fulfill its responsibilities and ensure U.S. companies are able to compete in India's expanding civil nuclear market.

While in New Delhi, I also reaffirmed our commitment to the Asia Pacific Partnership on Clean Development. This effort was initiated by President Bush, Prime Minister Singh, and the leaders of Australia, China, Japan and South Korea.

In the next decade, India plans to add 100 gigawatts of





new power, including bringing electricity to 18,000 remote villages. U.S. companies make world-class environmental technologies that can help India meet the needs of its rapidly growing economy, while reducing air pollution and enhancing energy security.

So, we're looking for good results to come from our upcoming trade development trip to India.

## Need For Global Trade Cooperation

Our relationship has matured to the point where we can be honest and frank. In my meetings in India, I stressed the importance of India's full participation in the Doha round of global trade talks. Simply put: India's leadership is required to achieve an agreement.

India has a tremendous opportunity to play an active and positive role in pushing these talks ahead. We are willing to make difficult choices. But we have a shared responsibility to make the round a success.

We believe that getting an agreement as soon as possible is important. However, the real important objective is to get a good agreement.

In the U.S. we hope to continue on the track of opening more markets, and are working with the new Congress to renew President Bush's Trade Promotion Authority, which is currently set to expire at the end of June.

We are proud to be India's partner and friend. Together we can enhance prosperity and improve the lives of all our citizens and make the world a better place.

During his recent visit to India, U.S. Commerce Secretary Carlos M. Gutierrez addressed the Indo-American Chamber of Commerce in New Delhi, where he said the U.S. placed a tremendous priority on its relationship with India.

Speaking on the topic, 'The US and India: Opportunities and Challenges for Growing Together', Gutierrez said the President's visit last March was a visible example of that priority, "the ongoing shared values, commitment to democracy and enhanced engagement on all levels signifies the great importance of our partnership."

Under Secretary for International Trade, Frank Lavin, who is here with me today, recently conducted the U.S. government's largest-ever business development mission to India.

We appreciate FICCI's work with us on the Mumbai

Business Summit and the Commercial Dialogue events that were part of the overall mission. My visit this week serves to reinforce our commercial interest in India, but also to discuss the challenges our two nations face in growing our relationship and expanding upon our economic successes,"

This economy has made impressive strides in recent decades--growth alone in India's economy in 2005 is the equivalent of the entire Indian economy of 35 years ago.

The U.S. is India's largest trading partner, and through November that partnership was worth \$29 billion in two-way trade. This evening we will announce final U.S. trade totals for 2006. I'm confident the numbers will reflect we are well on our way to reaching the goal set by President Bush and Prime Minister Singh of doubling trade by 2009.

## Commercial and Strategic Partnerships

The Commerce Department is working to enhance our commercial and strategic partnerships. There are numerous opportunities for engagement, from oceans research to patents and trademarks, which will create growth, efficiency and employment for both of our economies.

One specific area of success has been the U.S.-India High Technology Cooperation Group, a key dialogue that has helped advance high-tech trade and collaboration.

The HTCG. is a unique partnership between government and industry, which has delivered significant results. Today, less than one percent of U.S. high-technology exports to India require an export license.

The upcoming HTCG. meeting is an opportunity to capitalize on the momentum of the emerging US-India Strategic Partnership. Deputy Secretary Sampson looks forward to hosting Foreign Secretary Menon and his delegation in Washington, D.C.

Our nuclear agreement is another example. US civil nuclear companies are eager to partner with Indian companies. Once all necessary steps toward civil nuclear cooperation are taken, there will be abundant opportunities for Indian and U.S. businesses together to develop the Indian nuclear power sector and partner in other markets.

Clean energy is another area in which we can partner for commercial and environmental success. In April, the Commerce Department will lead a Clean-Energy Technologies Trade Mission to India.

As you know, India is a member of the Asia Pacific







Partnership on Clean Development and Climate. The APP was initiated by President Bush, Prime Minister Singh, and the leaders of Australia, China, Japan and South Korea.

In the next decade, India plans to add 100 gigawatts of new power, including bringing electricity to 18,000 remote villages.

U.S. companies produce world-class environmental technologies that can help India meet the needs of its rapidly growing economy while reducing air pollution and enhancing energy security. So we are excited about this unique trade mission.

## Challenges to Continued Growth

As I mentioned, India has experienced impressive economic growth. The Indian GDP in 2005 was \$785 billion. The economy has grown at a stunning 9.0 percent, and unemployment has been trending downward.

US exports to India are up 25 percent, and investment is up significantly. This has been possible because India has initiated important reforms which have encouraged U.S. businesses to keep coming.

We applaud efforts to allow more foreign investment, reduce tariffs, protect intellectual property and liberalize air travel. In fact, the flight I took into Delhi was allowed through the Open Skies Agreement, which has now been in place for two years.

This is a concrete example of a reform which has had an immediate impact on improving our ability to connect. But more needs to be done to open India's markets. There are some sectors such as retail, banking, financial services and telecommunications, where obstacles remain.

Needless bureaucratic hurdles, protectionist policies or caps on foreign ownership, hamstringing businesses that wish to contribute to this burgeoning market, and bring goods, services and increased options to Indian consumers.

While progress has been made on intellectual property, India continues to be a major global source of counterfeit medicines. Enforcement is key. Without protecting patents and data India will not attract the R&D and innovation necessary for strong growth in sectors such as pharmaceuticals.

Nearly three-quarters of all U.S. software in India is pirated. India is renowned for its world-class skills in software development, exporting three times as much IT as it consumes. India could support a strong local software industry if piracy were lower.

The Indian entertainment industry will also benefit from stronger IPR enforcement. Bollywood is endlessly creative and innovative. The Indian artists and performers who invest in creative pursuits deserve to benefit from their hard work.

The challenging regulatory climate here continues to hamper commercial opportunities. While there are many success stories, there are also many stories of failed partnerships and business ventures.

In fact, earlier this month, an article in The Wall Street Journal chronicled some of these challenges. India must continue making the difficult choices that will ultimately expand and grow opportunity for its citizens.

For India to continue its phenomenal growth it must open all areas of its economy and encourage investment--both foreign and internal.

India attracts less foreign investment than other countries in the region. Similarly, India's inward FDI is significantly lower than its neighbors in Southeast Asia. There is tremendous room for growth.

## Opportunities for Continued Success

But India is not alone in its challenges. In the U.S. we too are working to keep opening international markets, and ensure access to our markets and choices for our consumers.

In a growing international marketplace, it is easy for some to suggest protectionism would protect jobs. It won't. The only way to create and protect jobs is to promote private investment and trade, encourage innovation, expand job training, and compete. One way to promote innovation is to expand the minds of young scientists and engineers through enhanced educational opportunities.

In today's interconnected society it is crucial that we work together to understand each other and build a better world. Education offers one of the best avenues toward better understanding, and breakthroughs in science and technology that help to drive business around the world.

India is a crucial partner for the U.S. American universities that have been educating Indians for years. In fact, there are more Indian students in our country than from any other. America's doors continue to welcome students





from India. We welcomed 80,000 Indian students last year.

The Department of Commerce is leading an initiative with the Department of State and with the support of the U.S. education community to inform students here about the breadth of educational opportunities in the U.S. through the eyes of current Indian students.

In addition to education, opening markets throughout the world also helps us compete and create jobs. Businesses in India and the U.S. have responded with tremendous enthusiasm to the new opportunities increased foreign markets provide. In the U.S., we have created an export culture throughout our country.

One final area we are working on, which will expand international markets, help alleviate poverty and boost development around the globe, is the advancement of the Doha round of trade negotiations. Simply stated: India's leadership is required to achieve an agreement.

India has a tremendous opportunity to play an active and positive role in pushing these talks forward. We are willing to make difficult choices, but we have a shared responsibility to make the round a success.

In the US we hope to continue on the track of opening more markets, and are working with the new Congress to renew President Bush's Trade Promotion Authority, which is currently set to expire at the end of June.

Time is short, and a great deal remains to be done if we in the United States are to show progress in the Doha Round sufficient for Congress to renew the Trade Promotion Authority needed to conclude the negotiations.

Because of our strong relationship and respect for each other, we have a great future. India has experienced an amazing amount of growth and reform in a very short time.

To keep pace, I hope you continue to fight back the temptation to put on the brakes and put up walls--continued economic success will only result from transparency and openness--not protectionism and isolationism.

We are proud to be India's partner. Together we will work to expand and enhance the international market, and we will work to ensure that the U.S.-Indian relationship enhances prosperity and improves the lives of our citizens.

## 'Indo-US Nuclear Deal Right on Track'

A US-India Business Council delegation led by US-Chamber of Commerce Executive Vice President Lt. General Dan Chrisman (US Army Retired) and USIBC President Ron Somers have expressed hope that all issues pertaining to the US-India civil nuclear deal would soon be resolved.

Speaking on the first anniversary of President George W. Bush's visit to India, where the deal was sealed, General Chrisman said, "The U.S. and India are now strong partners who share a strong sense of mutual trust and confidence. With this sense of mutual trust and confidence, we believe that all remaining issues concerning civil nuclear cooperation between the U.S. and India will be resolved. The future is bright for our partnership and industry looks forward to working together to meet India's future energy needs."

General Chrisman is Chair of the Coalition for Partnership with India, an organization of US businesses, Indian Americans, and security experts who successfully advocated passage of the civil nuclear legislation in the US Congress.

According to Ron Somers, "We have brought 38 major US companies to India to make sure that we keep the ball

rolling on US-India business cooperation. Eighteen of these companies are in the civil nuclear industry." Somers went on to say, "U.S.-India Peaceful Atomic Energy Cooperation is good for India and the United States. Commercial implementation of U.S.-India Civil Nuclear cooperation will open the door to a wide range of cooperation in high technology."

Somers said on behalf of the US delegation, "U.S. Industry is confident that a partnership based on trust and mutual respect, as embodied in this agreement to share nuclear technology, will unite our countries as true partners for the long future. We are pleased that Indian industry has joined with U.S. industry to set our sights on the vision of aligning our two great democracies for the 21st Century. We must work collectively to support a positive outcome of remaining negotiations so we can move to meaningful implementation and development of much needed nuclear power in both our countries and around the world."

The US-India Business Council is comprised of over 300 American companies with investment interests in India, joined by two dozen global Indian companies, promoting free trade and greater U.S.-India commercial enterprise.

# India Sovereign Credit Ratings Raised To Investment Grade; Outlook Is Stable

Standard & Poor's Ratings Services has said that it had raised its sovereign credit ratings on India to 'BBB-/A-3' from 'BB+/B'. The outlook is stable. The upgrade to investment grade reflects the country's strong economic prospects and external balance sheet, and its deep capital market, which supports a weak, but improving, fiscal position.

"India's economic prospects remain strong and are rising gradually, with GDP trend growth likely to average more than 7.5 percent in the medium term," Standard & Poor's credit analyst Ping Chew said. "Gradual reforms and consistent monetary and fiscal policy stances have also sustained macroeconomic stability. This has led to strong growth prospects and attracted foreign and nonresident Indian capital. India's strong institutions have also provided for relative stability in policy, politics, and business environments against volatility usually associated with lower income levels."

Moreover, India's external balance sheet is strong due to reserves accumulation and prudent debt management. Its foreign-exchange reserves, now more than 16x short-term debt and 5x gross financing requirements, provide a buffer from changes in external and domestic investor confidence. These strengths are likely to continue, despite the current account deficits, on the expectation of strong capital inflows.

"The upgrade also reflects an improving fiscal position. Fiscal consolidation commitments across all levels of governments look to be entrenched," Chew said. "Governments are likely to be able to manage the fiscal vulnerabilities. India also has a well-functioning bond market, especially when compared with its rated



peers and income group, providing long-term financing for the government's deficits. The pace of deficit narrowing should continue, and faster than Standard & Poor's initial projection. The central government's budget deficit for the current year seems to be back on track to meet its target of 3.8 percent of GDP due to strong revenue collection. State governments' fiscal estimates for the current year suggest that the combined central and state government deficit is likely to fall below 7.0 percent of GDP. The secular decline in general government deficits in the medium term is likely to continue due to tax reform and improved administrations, and implementation of fiscal responsibility laws across more state governments, currently enacted by 23 out of 29 state governments." Chew added "The ratings on India, however, remain constrained by the country's weak fiscal profile, especially its high government debt burden and deficit, which is still one of the worst among all rated sovereigns. Further rating improvements will depend on sustained prudent fiscal policy that leads to a decline in the government debt and interest burden, and further reforms that lift the country's growth prospects and income levels. Inappropriate policy mix that increases the vulnerability of India's still-weak fiscal flexibility, and erode external and growth strengths could lead to downward pressures on the rating."





# Lehman Expects India GDP Growth to Touch 10 pct in 07/08

India's economic growth rate will touch nearly 10 percent in the next fiscal year ending in March 2008, driven by robust investments and exports, a senior Lehman Brothers economist said.

"You have got rising incomes, very strong credit growth still, positive wealth and confidence effects from the high asset prices, that is countering what is happening on the monetary policy front," Rob Subbaraman, Lehman's chief economist for Asia, excluding Japan, said in an interview recently.

The U.S. investment bank forecasts the Indian economy to grow at 9.9 percent in the 2007-08 fiscal year, beginning April 1.

Subbaraman said expansion would be boosted by manufacturing. The latest data has showed industrial production rose at an annual 10.9 percent in January and manufacturing, which represents more than three-quarters of industrial output, grew 11.6 percent.

"If you go back a couple of years, it was all about the services and IT sectors really leading the way. Now we are starting to see, partly because of the urgent need for capacity expansion, manufacturing starting to come on line," he said.

Lehman's forecast tops the government's 9.2 percent estimate for this fiscal year and runs counter to the views of many analysts who expect growth to moderate in 2007/08 as the effect of central bank tightening kicks in. A Reuters poll released recently showed economists expect growth of 8.0 percent in the year to March 2008.

The Reserve Bank of India has raised the percentage of cash banks need to keep with it on deposit twice since mid-December, taking it up one percentage point, to check price pressures. It has also raised its key short-term lending rate four times this fiscal year.

Wholesale price-based inflation touched a two-year high of 6.73 percent in early February but has since slowed to an annual 6.10 percent, although it is still well above the central bank's projection of 5.0-5.5 percent.

"The investment to GDP ratio has started picking up quite nicely in recent years. We're seeing it in terms of capital goods imports, in terms of foreign direct investments picking up very strongly," Subbaraman said. He said another driver of growth was the spurt in productivity in the private sector.

"There's no good, hard official data on productivity in India, but the profits of the large companies remain very healthy despite rising wages, which suggests that productivity growth in the private sector is holding up very well now -- it's probably strengthening," he said.

Subbaraman does not see the rise in inflation as a concern. "Even though inflation has picked up a little bit, we see signs that potential growth is also picking up, and that over time should help keep inflation at controllable levels," he said. ■



## India Emerging as New Business Destination for US Investors



India is emerging as the new destination for American business after China with several states planning to send trade missions to take advantage of the country's "fast-growing market".

Governors from Virginia and Iowa have been to India, and Minnesota, California and Utah are lining up gubernatorial visits in 2007, according to Michael Taylor of the US-India Business Alliance that helped organize the earlier missions.

"There is sort of a stampede thing. India is very much on everyone's radar scope now," said Taylor, the alliance's executive vice president, who has been in contact with at least a dozen states about possible trips.

"It's just a question of when they decide to go and how they decide to go. I think they feel a necessity to do it. The China mission was something you had to tick off. India has now become that.

"Minnesota's Republican governor Tim Pawlenty is planning to lead a 30-member trade mission to India from 20 to 27 October with stops in New Delhi, Bangalore and Mumbai.

"We view this as a tremendous opportunity to better acquaint Minnesota with India and better acquaint India with Minnesota," said Pawlenty announcing the trip to a country that now makes up a tiny fraction of Minnesota's roughly \$14 billion in annual manufactured exports.



The agenda will include market and industry presentations, networking events, business roundtable discussions, customized one-on-one business matchmaking meetings, and other similar events.

In a message to Minnesota business leaders about the trade mission to the fast-growing market of India, Pawlenty said, "I invite you to take a closer look at business opportunities in India, and I encourage you to consider applying to join the delegation."

There are many compelling reasons for all types of Minnesota companies to expand trade in India, he said and outlined "just a few":

### Fast-growing market

With a population of more than one billion, India is the world's fastest growing, free-market democracy. India's GDP is growing at about nine percent annually. US manufactured exports to India reached \$6.8 billion in 2005 - an increase of 111 percent since 2000. Minnesota manufactured exports over the same period rose 208 percent to \$85 million.

### Major infrastructure improvement

Over the next several years, India's transportation, energy, environmental, healthcare, high-tech, and defence sectors are expected to undergo major overhaul, which will create greater demand for products and services.

Tremendous consumer demand. India's middle class (200 million people and growing) has increasing purchasing power and increasing consumer demand.

Pro-American environment. With an overwhelmingly favourable impression of the United States, India is one of the most pro-American countries in the world and is eager to work with American businesses.

### Young India

More than 58 percent of the Indian population is under age 20. That is more than 564 million people - nearly twice the total population of the United States. This younger population has an increasing desire for high-tech products and services. ■



## Genpact to Raise \$600 Million in US Market Through IPO

India's largest BPO company has finalized its IPO plan to raise between \$500 and \$600 million in the US market. Genpact will raise This will be the largest IPO by an Indian company in the US. Genpact board has already approved the issue and merchant bankers Morgan Stanley and Goldman Sachs have been appointed for the issue.

The public issue is important as Genpact is the largest BPO company from India, and the issue will fulfil the huge demand for Indian BPO shares in the US market. The issue will also affect the valuations and demand for two other Indian BPO firms that went public last year WNS got listed on NYSE, and EXL Services, got listed on Nasdaq. Both WNS and EXL saw a huge demand for their shares when they went public, even after the issue, they command very high valuations.

For instance, WNS which has an EPS of 0.53, commands P/E ratio of 63 times. The market cap of the firm is more than 5.5 times its sales. Similarly, EXL Service commands a P/E of 52 times on an EPS of 0.48, and its market cap is more than 6.8 times. If the same kind of valuation is taken for Genpact, then at revenues of around \$620 million for December 2006, its enterprise value is taken at a conservative six times sales, it would be more than \$3.7 billion.

Merchant bankers claim that Genpact will be able to command a much higher valuation than its peers because of its size. Genpact is said to have projected that it will cross \$1.2 billion in revenues in the next two years.

This is based on organic growth only, if the IPO goes through, the company will have cash and stock to grow even inorganically.

Genpact is owned by General Atlantic Partners and Oakhill Capital, who jointly control 60 percent of the equity of the company. The

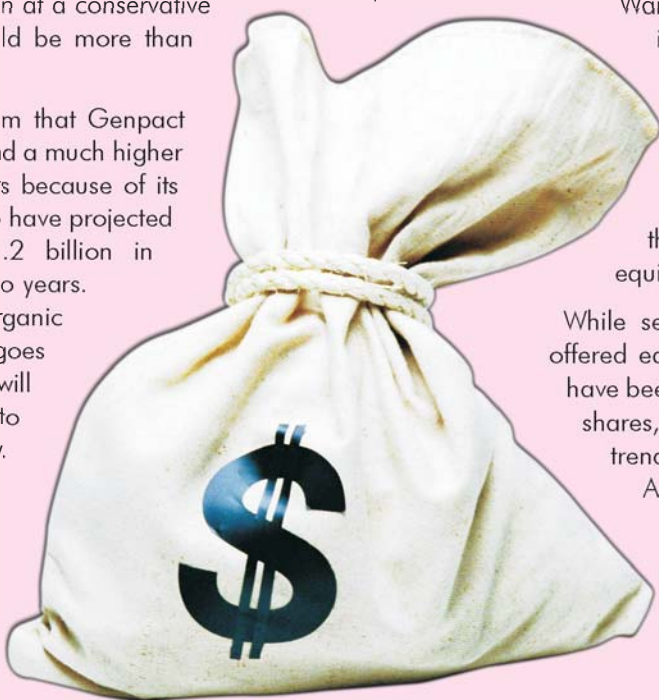
remaining 40 percent is owned by the US conglomerate GE.

The IPO is not likely to see a huge sale of shares by the existing shareholders. Bulk of the issue will be fresh issue of shares and the funds will be available for Genpact to fund growth. While the private equity funds Oakhill Capital and General Atlantic Partners (GAP) are not expected to sell their holding, the value of their stake will go up substantially.

The two funds had picked up the stake in Genpact in 2004 and in two years, have increased the value of their holding by five to six times. This is a fairly high rate of return for the investment made by a private equity funds.

"The returns for GAP and Oakhill will compare or may be even higher than the gains that Warburg Pincus made on its Bharti investment. It is a two-year-old investment and their returns are going to be really high. And as they won't exit at the IPO, they will continue to ride the growth of Genpact in the coming years," a private equity fund manager said.

While several Indian companies have offered equity from the US market, they have been mostly secondary offerings of shares, not IPOs. Infosys started the trend with its secondary offering of ADRs. Several companies such as Wipro, Satyam, ICICI, and HDFC have followed suit. During the dotcom era, there were two successful IPOs of internet companies Rediff.com and Sify.com. ■







## Hindalco Acquires US Firm Novelis for US\$ 6 Billion

Aditya Birla Group's Hindalco Industries Limited, India's largest non-ferrous metals company, and Novelis Inc. (NYSE: NVL) (TSX: NVL), the world's leading producer of aluminum rolled products, have recently announced that they have entered into a definitive agreement for Hindalco to acquire Novelis in an all-cash transaction which values Novelis at approximately US\$6 billion, including approximately US \$2.40 billion of debt. Under the terms of the agreement, Novelis shareholders will receive US \$44.93 in cash for each outstanding common share.

India's Hindalco is a leader in Asia's aluminum and copper industries, and is the flagship company of the Aditya Birla Group, a \$12 billion multinational conglomerate, with a market capitalization in excess of \$20 billion. Following the transaction Hindalco, with Novelis, will be the world's largest aluminum rolling company, one of the biggest producers of primary aluminum in Asia, and India's leading copper producer.

Kumar Mangalam Birla, Chairman of the Aditya Birla Group, said, "The acquisition of Novelis is a landmark transaction for Hindalco and our Group. It is in line with our long-term strategies of expanding our global presence across our various businesses and is consistent with our vision of taking India to the world. The combination of Hindalco and Novelis will establish a global integrated aluminum producer with low-cost alumina and aluminum production facilities combined with high-end aluminum rolled product capabilities. The complementary expertise of both these companies will create and provide a strong platform for sustainable growth and ongoing success."

Acting Chief Executive Officer of Novelis, Ed Blechschmidt, said, "After careful consideration, the Board has unanimously agreed that this transaction with Hindalco delivers outstanding value to Novelis shareholders. Hindalco is a strong, dynamic company. The combination of Novelis' world-class rolling assets with Hindalco's growing primary aluminum operations and its downstream fabricating assets in the rapidly growing Asian market is an exciting prospect. Hindalco's parent, the Aditya Birla Group, is one of the largest and most respected business groups in India, with growing global activities and a long-term business view."

Debu Bhattacharya, Managing Director of Hindalco and



Director of Aditya Birla Management Corporation Ltd., said, "There are significant geographical market and product synergies. Novelis is the global leader in aluminum rolled products and aluminum can recycling, with a global market share of about 19 per cent. Hindalco has a 60 per cent share in the currently small but potentially high-growth Indian market for rolled products. Hindalco's position as one of the lowest cost producers of primary aluminum in the world is leverageable into becoming a globally strong player. The Novelis acquisition will give us immediate scale and a global footprint."

The transaction has been unanimously approved by the Boards of Directors of both companies. The closing of the transaction is not conditional on Hindalco obtaining financing.

The transaction will be completed by way of a plan of arrangement under applicable Canadian law. It will require the approval of 66.66 per cent of the votes cast by shareholders of Novelis Inc. at a special meeting to be called to consider the arrangement followed by court approval. The closing of the transaction will also be subject to customary conditions including regulatory



approvals, and is expected to be completed during the second quarter of 2007.

## About Novelis

Novelis is the global leader in aluminum rolled products and aluminum can recycling. The company operates in 11 countries, has approximately 12,500 employees and reported \$8.4 billion in 2005 revenue. Novelis has the unrivaled capability to provide its customers with a regional supply of technologically sophisticated rolled aluminum products throughout Asia, Europe, North America and South America. Through its advanced production capabilities, the company supplies aluminum sheet and foil to the automotive and transportation, beverage and food packaging, construction and industrial, and printing markets. Visit [www.novelis.com](http://www.novelis.com)

The Aditya Birla Group is one of India's multinational corporations, with a workforce of 85,000 employees belonging to over 20 different nationalities. Its 74 state-of-the-art manufacturing units and service facilities span India, Thailand, Laos, Indonesia, Philippines,

Egypt, Canada, Australia, China, USA, UK, Germany, Hungary and Portugal. A premium conglomerate, the Aditya Birla Group participates in wide range of market sectors including viscose staple fiber, non-ferrous metals, cement, viscose filament yarn, branded apparel, carbon black, chemicals, fertilisers, sponge iron, insulators, financial services, telecom, BPO and IT services. Visit [www.adityabirla.com](http://www.adityabirla.com)

Established in 1958, Hindalco is currently structured into two strategic businesses, aluminium and copper, with 2006 revenues of approximately \$2.6 billion. Hindalco's integrated operations and operating efficiency have positioned the company as Asia's largest integrated primary producer of aluminum and among

the most cost-efficient producers globally. Its copper smelter is the world's largest custom smelter at a single location. Hindalco stock is publicly traded on the Bombay Stock Exchange (BSE) and the National Stock Exchange of India Ltd (NSE). Its current market capitalisation is US\$ 4.3 billion.

For further information contact [www.hindalco.com](http://www.hindalco.com)



## US Firm to set up Generic Drug Unit in India

The US-based Dawn Alliance group is planning to set up a United States Food and Drug Administration-approved generic drug manufacturing facility in India.

The company is looking to set up a facility in Vadodara under the aegis of Amkas Laboratories, a firm that already has operations in India.

Dawn Alliance group Director Girish Ray said, "We intend to set up a drug manufacturing facility in India, most probably in Vadodara."

The investment size and the drugs, which will be manufactured in Vadodara, have not yet been determined. The unit would be of international standards and the group is aiming for USFDA approvals.

Industry sources said setting up a generic manufacturing facility would require an

investment of Rs 15-25 crore and would vary depending on the nature of the products.

Ray said they chose Vadodara because the city was easily accessible from any part of the country. Moreover, Amkas has been operating from Vadodara for the past five years and the group has multiple activities, including business process outsourcing (BPO) operations, exports of pharma components and sourcing of generics.

Currently, Amkas sources generics through Aurobindo Pharmaceuticals and is in negotiations with other companies in the country. It also supplies research drug samples (RLDs) to Intas, Alembic, FDC India and Unichem Laboratories, while it supplies over-the-counter (OTC) drugs to small manufacturers. Dawn

Alliance is headquartered in Glenview, Chicago, and operates a backoffice through Amkas in India. ■





## USINPAC's Mission India to Forge Stronger Ties



U.S. India Political Action Committee (USINPAC), a leading political lobby of the Indian American community, has organized its 4th Annual high level delegation visit to India recently for a very select group of delegates from across America.

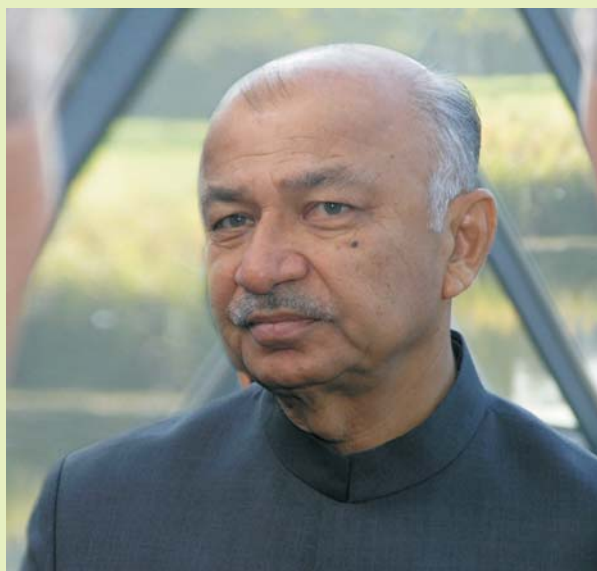
The delegation's visit is an annual feature and is meant to enhance cultural, strategic and business relations between the two countries. Delegates get to meet and interact with the highest levels of India's political leadership and prominent members of the business community, in order to discuss the strengthening of bilateral ties between the two countries.

Commenting on the occasion, Sanjay Puri, Founder and Chairman, USINPAC, said "2006 will be noted as the watershed year, which saw unprecedented political activism by the Indian American community, and raised its engagement with mainstream American society to a newer and visible high. It is a most encouraging trend

where we are seeing professionals and business entrepreneurs taking out more and more of their time and devoting themselves to social entrepreneurship. The momentum for the nuclear deal owes much to the relentless efforts of the community, and such social entrepreneurs have greatly aided the process."

USINPAC delegation comprises of 20 top business executives, entrepreneurs, and medical professionals from the India American community. In order to discuss the role of the Indian American community in aiding India's socio-economic development, including civil nuclear cooperation, USINPAC has organized meetings with key business leaders like Nadir Godrej, Nikhil Meswani, Dilip Sanghvi, and government and political leaders including Commerce Minister Kamal Nath, Power Minister Sushil Shinde, Vyalar Ravi, Ms. Ambika Soni, and Rajnath Singh, amongst others.

In its meeting with Kamal Nath, the USINPAC delegation discussed ways of enhancing linkages







between small and medium businesses in the U.S. and India, and was heartened to note that the Minister is setting up a coordinating mechanism at the Commerce Ministry to create synergies between the efforts of various industry and bilateral trade forums to accelerate the pace of small business development.

Also present on the occasion, Robinder Sachdev, Director, India Bureau of USINPAC said, "It is our continuing endeavor to contribute our efforts towards a mature, dynamic, and mutually beneficial U.S.-India relationship. We have also been concerned with India's growing energy needs, and civil nuclear cooperation is another area where we have undertaken a concerted campaign to inform and educate lawmakers on Capitol Hill".

USINPAC also calls upon the various NRIs who will be gathering for the Prawasi Bhartiya Diwas to undertake an urgent and energetic lobbying campaign in their home countries to convince the Nuclear Suppliers Group member countries to support India's case at the Annual Plenary of the NSG in South Africa. It offers its expertise and "lessons learnt" in Washington, DC style lobbying to our fellow NRIs in other countries so that they could also lend their efforts just like the Indian American community did in the United States.

On the nuclear deal, USINPAC commits to keep working with the U.S. administration to help bridge the gap between the Indian and U.S. positions, and hopes to see a mutually satisfying relationship between the two countries.

## Firstsource Buys US Firm BPM for \$30 Million

Firstsource Solutions (formerly ICICI OneSource), a business process outsourcing (BPO) company, has recently acquired BPM a Delaware-based healthcare claims' outsourcing company.

The acquisition, estimated to be around \$30 million according to market sources, includes BPM's two wholly-owned subsidiaries MedPlans 2000 and MedPlans Partners.

The acquisition is expected to allow Firstsource to penetrate the healthcare vertical with capabilities in complex claims' adjudication. Firstsource will now offer

clients database management, policy administration, claims processing and complex claims adjudication capabilities.

Ananda Mukerji, Managing Director & CEO, Firstsource, said, "The healthcare vertical is one of our three focus verticals and represents a high growth area. This acquisition gives us enhanced capabilities in claims adjudication, that is complimentary to our current capabilities. We also acquire marquee customers, which provide a good opportunity to cross-sell. We were impressed with the quality of the

operation and the management team which was instrumental in shaping our decision."

The company, by virtue of this acquisition, has also acquired a client portfolio that includes six Fortune 1000 companies and adds three centres in Rockford, Illinois; Fort Scott, Kansas and Louisville, Kentucky to its current 17 delivery centres globally.

Firstsource announced that Tony Pino would be executive vice-president of healthcare at Firstsource and there would be no change in the management structure of MedPlans Partners. Over 300 employees would continue with their current jobs. With this acquisition, the US headcount has risen to 800. ■



## Drug Discovery & Development

# Biocon's Syngene in Research Pact with Bristol-Myers Squibb

Biocon Ltd announced that its subsidiary, Syngene International Pvt Ltd, has entered into a research partnership with Bristol-Myers Squibb to provide research and development services for discovery and early drug development.

This alliance would help Bristol-Myers Squibb to significantly enhance its existing relationship with Biocon's Syngene to further develop integrated capabilities in India in medicinal chemistry, biology, drug metabolism and pharmaceutical development.

As per the deal, Syngene will partner with Bristol-Myers Squibb through a dedicated research facility at Biocon Park, Bangalore. It would house more than 400 scientists in this center to help advance Bristol-Myers Squibb's discovery and early drug development.

The Bangalore-based company disclosed that the alliance aims to provide cost-effective growth and



access to top scientific talent in India, utilizing the current global demand for bio-partnering.

Biocon recently released five renal therapy drugs, which are priced 35-40 percent lesser than those available in the market.

The new immunosuppressants

drugs for renal therapy include Ranodapt, Tacrograf, Cyclophil ME, Rapacan and Erypro. Immunosuppressants are medicines that inhibit or prevent the activity of the body's immune system.

Syngene International Pvt Ltd is an internationally reputed Customs Research company with multi-disciplinary skills in synthetic chemistry and molecular biology, microbial genomics and informatics, provides customized research and development to leading names worldwide.

Established in 1978, Biocon Ltd is one of India's premier biotechnology companies. Biocon and its two

subsidiaries, Syngene International Pvt Ltd and Clinigene International Pvt Ltd, form a fully integrated biotechnology enterprise specializing in biopharmaceuticals, custom research, clinical research and enzymes. With successful initiatives in drug discovery, clinical development, bioprocessing and global marketing, the company delivers products and solutions to partners and customers across 50 countries

Biocon posted a net profit of Rs. 174 crore on total income of Rs. 793 crores during the financial year ended March 31, 2006. ■



## Jupiter Biosciences to set up Generic Peptide Plant in US

Jupiter Biosciences Ltd is betting big on peptide pharmaceuticals, which command a global drug market of \$7 billion, to bolster its growth path in the next few years.

The Hyderabad-based Rs 78-crore turnover company has developed eight generic peptides, which are ready for launch. It has decided to set up a manufacturing facility in Maryland, US to take these products to the market quickly, according to Venkat Kalavakolanu, Chairman and Managing Director.

The Maryland facility with about 5,500 sq.ft area and necessary equipment would be ready by May, 2007. An investment of Rs 20 crore would be made there. The company is using the non-automated route to make these peptide pharmaceuticals, so that it emerges the most cost competitive.

Peptides are a chain of amino acids, which hold the big advantage of making chemical drugs with least side effects. In all chemical drugs there is a two per cent impurity, which causes side effects. Peptide pharmaceuticals at present is a small volume game,

with potential high growth.

Claiming to be the only 'Start to finish' capability company in the world today, Kalavakolanu said the company was adopting the strategy of sending the raw material from its Indian facilities to the Maryland plant, where the final steps would be closed in the cycle of manufacture of these generic peptides, making them cost effective.

The peptide portfolio of Jupiter Biosciences is in the areas of cancer, cardiology and hormones. The company has targeted Europe and Japan to market the products. In Europe, it has got Dr Rudolf Tanner, a former Vice-President of Bachem, Switzerland, the \$175-million global leader in peptides onto the company board. "We are looking for acquisition in the near future and his experience is a great asset", Kalavakolanu said.

In Japan, which again is a big market, the company has formed a wholly owned subsidiary. With investments of \$1-2 million, the subsidiary plans to supply peptide and chiral intermediaries to the top four Japanese pharma companies, he added.

Jupiter Biosciences has strengths in advanced organic chemicals, chiral and peptide intermediaries and biotech. It has developed a combination of chemistry and biotech strengths. Its strategy is to target peptide raw materials, advanced organic and chiral intermediaries, which do not need regulatory approvals to the regulated markets of US, Europe, Canada and Japan. ■







## A Twin-Tower IT Habitat coming up at Kolkata

GLOBSYN CRYSTALS is a 6,00,000 square feet (approx) IT habitat under construction in Sector V, Salt Lake, Kolkata conceived by Bikram Dasgupta of Globsyn Technologies Limited and Intelligent Infrastructure Limited.

The project is being implemented by Intelligent Infrastructure Limited, an equity partnership comprising the following :

- New Vernon Private Equity Limited, a US-based fund with an India-specific kitty of over US\$ 1 billion
- The Sureka and Todi Groups, which are premium real estate companies in eastern India with a collective experience of over 75 years in developing and implementing real estate projects spanning, residential, commercial, shopping and IT asset classes.

In terms of location and logistics, the habitat offers the following benefits:

- Located in the 'IT cradle' of West Bengal
- Only 15 minutes from the airport and the city centre
- Well linked in terms of transportation
- Ample residential facilities in proximity to the project

The concept underlying the creation of Globsyn Crystals is to help prevent ATTRITION, a major issue with the IT industry today. The design, construction and facilities have been planned in this perspective and some of the key benefits that this habitat offers are as follows :

- A column span of 20 m in each floor. The columns are all located only at the two ends of the floor, leaving the entire floor area free. The benefits in terms of highly efficient space utilization and complete flexibility in planning layouts leading to better employee satisfaction and improved employee productivity are likely to be significant.
- We recognize that IT is a 24x7 industry leaving little flexibility for the employee to take time out from work to meet living and leisure requirements. To address this need, we have planned at the podium level, a full array of service and leisure facilities which would include a provision store, laundrette, hair care, bill payment facilities, a bank ATM, gym and health club, pharmacy,



food court, fine dining, etc. To meet the additional needs of the employing firms, a business centre, conference hall, party room, digital theatre, flowers and gifts, travel services, courier services and similar facilities are also being included. The objective is to ensure that as far as possible, the habitat is totally self contained to meet the requirements of a 24x7 community.

- Since training is an important and ongoing facet of the IT industry, the first floor of the habitat would be occupied by Globsyn Technologies Limited Learning Resource Centre. Globsyn Technologies have an ongoing and vibrant relationship with the IT industry in terms of IT and ITES training. This provides the tenants resident in the habitat with the twin benefits of access to a ready pool of trained manpower as well the flexibility to organize and conduct custom built programmes using this facility as an office extension.

- The building has been designed with state of art features that ensure reliability, safety and reduced maintenance costs.

### Specifications

The project comprises two towers, Crystal 1 and Crystal 2 having a common basement, ground floor and podium. Thereafter, Crystal 1 and Crystal 2 would have 11 floors and 5 floors respectively with the first floor of both towers and 2<sup>nd</sup> floor of Crystal 2 occupied by the Learning resource Centre of Globsyn Technologies Limited.

Floors 2 to 11 in Crystal 1 and 3 to 5 in Crystal 2 would be available to IT companies on lease.

### Project Status

#### Time Schedules

Crystal 1 floors from second to eleventh would be available for fitouts in April 07. Completion by end May, 2007. Crystal 2 by end 2007.

#### Zoning

The premises can be used for IT and ITES activities only ■

# Webel Nite Rewards IT Performers

By U. S. Pandey

The West Bengal Electronics Industry Development Corporation (WBEIDC), the 30-year-old public sector undertaking popularly known as Webel, organized a "Webel Nite" to reward the "performers" in the state's fast-expanding IT sector.

For Debanjan Datta, Managing Director and CEO of the once-ailing and much reviled Webel, it was a promise to be kept. He told Indo-US Business magazine on 9 September 2007 about his plans to hold the first-ever Webel Nite.

So, on 7 March 2007, it was a grand show for techies in Kolkata. Webel Nite, named after West Bengal's nodal IT agency, had state government officials rubbing shoulders with IT entrepreneurs and executives.

Delivering the key note address at a function to commemorate 'Webel Nite' on 5th March, 2007 at the Oberoi Grand Hotel in Kolkata, Dr Debesh Das, Minister for Information Technology, spoke on the theme, 'Opportunities & challenges in ICT 2015'. He announced that two new IT hubs were coming up at Durgapur and Siliguri. Another IT park would be developed at Kharagpur over 100 acres of land. The programme was organized jointly by the IT Department, Government of West Bengal and Webel.

Dr Das conferred some special awards on some IT companies for their outstanding contributions in IT fields. He said that there had been a lot of changes in the state's IT scenario, adding that the rate of export growth in IT sector was 42 percent in West Bengal, which was higher than the national average.

"Efforts are being taken to speed up this growth. Now there is 38 lakh sq. ft built up space in West Bengal for IT industry. Within the next three years this space will be 2.0 crore sq. ft. The target of West Bengal is to grab 15 percent of the Indian IT revenue by 2010," Dr. Das said.

Citing a New York-based journal, he said that by 2010 Kolkata would be the 3rd BPO attraction in the world after Warsaw of Poland and Hyderabad of India. He said that institutions like ISI and IIT Kharagpur were producing a pool of quality talent for the IT industry.

Siddharth, Secretary, IT, said that West Bengal was the new IT destination of the world. This State has earned a tremendous goodwill from all over the world. Dr N.R. Banerjee Chairman, Webel, Debanjan Dutt, MD &

CEO Webel also spoke on the occasion.

An "Integrated IT Township and Auto Park" at HM's surplus land at Uttarpara in Hooghly district is coming up fast. The proposed world class "Integrated IT Township & Auto Park" would be first of its kind and contribute to a sustained socio-economic growth. This is in the wake of extending IT activities outside Kolkata and an ever increasing demand of land and space.

The West Bengal IT department has initiated the process of identifying lands for IT and ITES projects around Kolkata. The process has already begun in North/South 24 Parganas, Hoogly, Howrah, Nadia districts having close proximity to airport and possibility of creating other social infrastructure required for the industry.

Name of the IT companies, which were conferred upon the special awards in different categories are given below:

- **Excellency in Software Exports:** Tata Consultancy Services, IBM India Pvt. Ltd., Cognizant Technology Solutions India Pvt. Ltd.,
- **Excellence in IT Enabled Services:** HSBC Electronic Data Processing India Pvt. Ltd., BNKe Solutions Pvt. Ltd., Genpact India, Wipro Ltd.,
- **Excellence in IT infrastructure Development:** DLF IT Park, Technopolis, Millennium City, Infinity, Bengal Intelligent Park,
- **Outstanding Local Initiative in Electronics Telecommunication:** Simoco Telecommunication (South Asia) Limited, Siemens Public Communication Networks Limited,
- **Outstanding Local Initiative in Electronics-Hardware:** Videocon Industries Limited, RP Info Systems Ltd., Xenitis Infotech Pvt. Ltd.,
- **Contribution to the Animation Industry:** DQ Entertainment Limited,
- **Notable IT Initiative:** Pinnacle Infotech Solutions,
- **Outstanding Contribution to the growth of the IT Industry in West Bengal:** ABP Pvt. Ltd.

The show ended with a classical dance performance by danseuse Dona Ganguly, wife of celebrated cricketer Sourav Ganguly



## WEST INDIA COUNCIL

# IACC Committed to Strive for AIDS-free India

The West India Council (WIC) of the Indo-American Chamber of Commerce (IACC) and the United States Consulate General, Mumbai co-hosted "AIDS Free India", an event organized to spread HIV/AIDS awareness in India at the US Consulate Lawns in Mumbai on 15 March 2007. The evening saw an elite gathering of over 250 people from the corporate sector, senior government officials, socialites and Bollywood celebrities.

With over 5.2 million HIV cases affecting Indians between the ages of 15 and 49, India is on the brink of a potentially major epidemic. Worldwide, over 40 million suffer from HIV and more than 20 million people around the world have lost their lives to the infection.

The attraction for the evening was Hollywood film star and Youth AIDS Ambassador, Ashley Judd who had specially come to Mumbai to spread awareness about HIV and AIDS and find solutions to control it.

Ms. Judd, requested everyone to pledge their support to AIDS Free India. As an act of solidarity she requested all to hold hands and raise them to mark their commitment towards the cause. Her spontaneous address was very impressive and inspiring; it touched the right chord in every heart.

Michael Owen, US Consul General, Mumbai, pledged broader support for HIV programs: "The United States has committed \$15 billion for the

President's Emergency Plan for AIDS Relief and is spending approximately \$30 million on HIV in India this year. However, governments alone are not enough to combat HIV. Everyone can play a role in education, prevention, or care for those affected."

Owen stressed that those affected by HIV must be treated with dignity and receive desperately needed care. He invited businesses to consider how they could support their employees and their communities through education and outreach efforts.

IACC (WIC) President Atul Nishar said, "the Chamber has taken up the mission to create an AIDS-free India. We will motivate corporate members to come together to fight the spread of AIDS. This is the first major social responsibility project undertaken by the Chamber, which has so far solely been focusing on Indo-US trade."

Owen also applauded the Indo-US Corporate Fund for HIV/AIDS, a joint effort among Indian and US governments and private corporations to build a broader coalition against HIV, noting that companies recognize the impact they can have in stepping up to the challenge of the disease.

During the evening, Punj Lloyd, Ltd. was recognized by the Corporate Fund partners and the Consul General for the company's leadership in launching a new initiative to fight HIV. This award acted as a stimulant for other industries to contribute to the HIV/AIDS work.

Bollywood actors Suresh and Vivek Oberoi, father and son, along with their family pledged support and spoke passionately about the cause.

The event's highlights included performances by Sandeep Soparkar and Jesse Randhawa and for the finale it had the Rock band, Infra-Red making everybody rock. ■



**Taking the pledge for AIDS FREE INDIA are Michael Owen, US Consul General, Ashley Judd, Hollywood St. & Atul Nishar**





## PUNE BRANCH

# Pune IACC & Detroit Chamber Forge Ties in Auto, Engg. Sectors

The Pune branch of the Indo American Chamber of Commerce has recently facilitated a two-day visit to the city by a high-powered US delegation, led by Richard E. Blouse, Jr. President, Detroit Regional Chamber.

IACC (Pune) arranged a series of business meetings and site visits for the delegation members with IACC member companies.

Blouse, Jr. and John W. Carroll, Jr. Executive Director, Detroit Regional Economic Partnership, expressed complete satisfaction over the business meetings arranged by the Pune Chamber on 26 and 27 March 2007. They promised to return with a larger contingent towards year-end to broaden interactions between members of the IACC and Detroit Regional Chamber, one of the largest of its kind in the US with over 23000 companies as members.

Blouse was impressed with the 'Business Visa applications facilitation' by IACC under the US Consulate's BEP for its established members. He felt that this is an added advantage in collaborating with IACC. He and the Oakland County Directors Ms. Maureen Kross and Ms. Linda Earhardt the IACC to mount a delegation to their region to carry forward the business interactions started here to their logical conclusion.

Shekhar Agharkar, Chairman, IACC, Pune, pointed out the similarities between Pune and Detroit both of which boast huge and flourishing engineering and automotive sectors. He said Michigan ranked second in the US in R&D spending while the Oakland County had more than a third of the state's R&D facilities.

Agharkar briefed the visiting delegates about the recently concluded seminar on "Pune as a Global R&D HUB," organized by the



Linda Earhardt, Oakland County, Shekhar Agharkar, Chairman, Indo American Chamber of Commerce, Pune, Regina, Arthtech Consultants, Suresh Joshi, Vice Chairman, Indo American Chamber of Commerce, Pune at the 'Breakfast Meet' with the visiting US Delegation from Detroit and Oakland County at the Le Meridien on 27<sup>th</sup> March 2007.



From R to L: Maureen Kross, Oakland County, Richard E. Blouse, Jr. President, Detroit Regional Chamber, Alan Whitman, Partner, Virchow Krause & Company, LLP, John W. Carroll, Jr., Executive Director, Detroit Regional Economic Partnership, Sunil Pathe, Garware Wallropes at the 'Breakfast Meet'

Chamber, successfully projecting the city as 'the destination' for research in various sectors.

Leaders of both the Detroit Chamber and Pune IACC decided to immediately launch the next steps to fortify the initiatives taken during this visit, to benefit industries in both Pune and Detroit.



## Easier Availability of US Visas to IACC Members Under BEP Facility



Raghavendra S. Ponske, Immediate Past Chairman, IACC - Pune Branch, has announced the inclusion of the Indo-American Chamber of Commerce, Western India Council for availing assistance for US visas through the

'Business Executive Programme' of the US Consulate General at Mumbai.

With the US Consulate General's approval for IACC's inclusion, the Mumbai Consular district (Gujarat, Maharashtra, Madhya Pradesh, Chattisgarh, Daman & Diu, Silvassa, and Goa) comes under this programme.

"This is the result of the tireless efforts made by the Chamber during last one year or more. The facility which was hitherto available only to large companies sending large number of their employees and officials to the US is now being made available to the small and medium sized companies through the Indo-American Chamber of Commerce" Ponske said.

"Since BEP is based on 'Trust' relationship the visa applicants applying through BEP gain greater credibility improving their chances to obtain visa. The Consulate, also, releases additional slots for earlier appointments, occasionally. The Chamber can be contacted to know about the same. The members are, of course, advised to plan their trips to US well in advance and take advantage of BEP facility through the Chamber.

"Having received the formal approval letter from the US Consulate, Mumbai, we are in the process of completing the formalities of registration with the Consulate. We are, also, upgrading the facility at our office in Pune. The facility will thus be available in next one or two weeks" Ponske added.

## Pune The Fast Emerging R&D Destination

A seminar on "Pune as a Global R&D HUB" organized by the Pune Branch of the Indo American Chamber of Commerce successfully projected Pune as 'the destination' for research in various sectors,.

The immense potential and opportunities were highlighted by Dr. Arun Nigavekar, former Chairman, University Grants Commission, who was the Chief Guest and the Keynote

Speaker. The presentations by John O'Halloran, CEO and Managing Director, Cummins Research and Technology India Limited (CRTI).

Ashutosh Parasnis, Vice President and Managing Director of PTC Software (India) Pvt. Ltd., made an engrossing presentation on the engineering and auto industries. Krishna Lawande, Managing Director, Lawande Consultancy Services and Firoz Poonawalla, Managing Director, Fila Rozil Exports Pvt. Ltd. led the audience through the pharma and agro sectors respectively.

Deepak Pahwa, National President, IACC, briefed the audience about the past and current initiatives by the Chamber since he took over as president.

Shekhar Agharkar, Chairman, IACC, Pune branch, announced launching of a 'Resource Book' in coming months to consolidate relevant details about Pune to serve as a reference book for R&D initiatives in various sectors.



John O'Halloran at the Seminar



Farokh Balsara, Deepak Pahwa, Dr. Arun Nigavekar, Shekhar Agharkar, R.K. Chopra, on dias at the seminar



## GUJARAT BRANCH

### Interactive Session with Visiting Oklahoma Business Delegation

The Gujarat branch of the Indo-American Chambers of Commerce organized a "Vibrant Gujarat 2007 Summit" at Science City in Ahmedabad on 13 January 2007 coinciding with the visit to the western Indian city a business delegation from Oklahoma, the United States.

Members of the visiting delegation, led by Ms. Jane Perkins, President, Indo-American Chamber of Commerce of Oklahoma, had one-to-one meetings with IACC members on the occasion.

The IACC Gujarat unit had earlier circulated among its members, the visiting delegation's profile and many of them showed a keen interest in interacting with the visiting US delegates for exploring new business opportunities. Madhavi Gargesh, Chairperson of the IACC Gujarat branch, presided over the meeting the meetings supported by the branch secretariat.

Delegates from the Oklahoma, led by Ms. Perkins held discussions on a one- to- one basis with the IACC

members representing companies such as Royal Industries, Gurjar Images, Aastha Energy Technovision, United Consultants & Cagsons. Both sides made commitments to continue discussions further.



Left to Right: Kaizar Mahuwala, S.A. Dula, Jane Perkins, President, Indo-American Chamber of Commerce of Oklahoma, Madhavi Gargesh, Chairperson, IACC (Gujarat) Krishna Bhaya, O.P. Pahuja, Darshan Gharekhan

## Indo-US N-Energy Deal Will Transform Rural India

- Dr. Sam Pitroda

Dr. Sam Pitroda, an eminent global telecom technocrat and Chairman, Knowledge Commission, Government of India, has said the nuclear energy deal between India and United States will transform India in terms of providing power and energy to the rural poor and creating immense employment potential.

Delivering the Lincoln Memorial Lecture on the topic " Indo US Relations & the impact of Nuclear Deal" on 20 January, 2007 in Ahmedabad, Pitroda lauded the efforts of many non-resident Indians based in the US, who, he said, were instrumental in canvassing and getting the nuclear deal through. The prestigious lecture was organized by the Gujarat branch of the Indo-American Chamber of Commerce after a gap of two years.

Earlier, welcoming Dr. Pitroda, IACC (Gujarat) Chairperson

Madhavi Gargesh introduced him to the huge audience of more than 500 people, comprising IACC members, professionals, students and the general public at large.



Madhavi Gargesh, introducing Dr. Sam Pitroda





In a spell-binding speech, Dr. Pitroda took the audience on a journey of Indo- US relations, with a special reference to his own personal experiences stretching more than 40 years in the US and how that country's policy had shifted over the years. "There is now a lot of exchange happening between India and America in the spheres of academics, trade, IT, banking, insurance, etc.," he said. Dr. Pitroda called for close connectivity between research Institutes and universities so that students could benefit from such interaction. "This coming together of the research institutes and universities is

bound to upgrade the quality of universities, teachers and students," he said.

Dr. Pitroda who received a standing ovation at the end of his lecture, keenly responded to all queries from the audience during a question-answer session. IACC Secretary General R.K. Chopra presented a memento to Dr. Pitroda on behalf of the IACC Gujarat branch. The function ended with high tea, in which Pitroda took part along with the IACC members and other guests.



IACC Secretary General R.K. Chopra offering a memento to Dr. Pitroda

## SOUTH INDIA COUNCIL

### Lavin Mission Members in Chennai

A Lunch meeting in honor of the US companies visiting Chennai was held on 4 December 2006 at Hotel Taj Coromandel, Chennai. R.Anand, Chairman, IACC-Tamil Nadu welcomed the guests. This was part of the large US trade delegation led by US Under-Secretary of Commerce Franklin L. Lavin to India in November/December 2006.

Ms. Jennifer Young, International Trade Specialist, US Department of

Commerce, Washington D.C. participated in the meeting. IACC members and the US delegates interacted with each other regarding Indo-US business developments and prospects. The meeting was coordinated by the US Consulate, Commercial office, Chennai.

Mark Walkerf from Xango LLC ([www.xango.net](http://www.xango.net)), Pat C.Stone from Baker Hughes ([www.bakerhughes.com](http://www.bakerhughes.com)), Charles Mullins from American Heart Association ([www.americanheart.org](http://www.americanheart.org)), and Kevin Ford of Accela INC ([www.accela-inc.com](http://www.accela-inc.com)) were among the participants, numbering 20, including the members from the Chamber at the meeting.





## Event on Forex Market Update & Hedging

Indo-American Chamber of Commerce, SIC organized an event - Forex Market Update & Hedging Opportunities on 8 February 2007 at Park Hotel, Chennai.

The main speaker was Shrikant Bhat, Head-Structured Products, Citibank, N.A. IACC-Chairman R. Anand, welcomed the participants and Badri Nivas, Citibank Head-South, introduced the speaker to the audience.

In his presentation, Bhat elaborated on the Forex market, its developments, the hedging opportunities in the Forex market, the ways for investing funds in the Forex market etc.,. The audience interacted with the speaker. About 70 members attended the meeting.

The event was part of a Membership Business Promotion programme, conducted by the Chamber for the Citibank member.

## Seminar on Quality Certification for Exports to US Market

A seminar on Product Testing and Quality Certification-Focus Indian exports to the US market was held on 27 March 2007 at Hotel Savera, Chennai. The speakers at the seminar included Chandrakumar from Underwriters Laboratories Inc (UL), Bhupalam Ajit from DNV India and Shyam Sundar from SGS India. R. Anand, Chairman of IACC, welcomed the participants and introduced the speakers at the seminar, which focused on three industries - engineering components, food & agro products and textiles and garments.

Chandrakumar made a presentation on engineering components, touching the areas of conformity assessment system, quality standards for the engineering sector, requirements for the certification etc. He also talked about the advantages of the quality certification for engineering components exports to the US market.

Ajit talked about Quality Certification for the food & agro products, safeguarding life, property, and the environment, core competence, management system certification product certification, assessments and solutions, research and innovation, food and safety standards etc.

He also talked about challenges of exports to the US, minimizing

microbial food safety hazards of fresh-cut fruits and vegetables and the advantages of Quality Certification for food and agro products.

Sundar elaborated on product testing and Quality Certification for the textiles and garments sector, like the standards and the quality management systems, inspection methods in the areas like yarn, fabric, garment and home textiles etc.,. He also explained about the quality certification advantages for exporting textiles and garments to the US market.

Sandeep Singh, Technical Services Manager, from Cooper Bussman India, Puducherry, Ms.Radha Ramabadrann and Palanivelu from Intimate Fashions, Chennai, shared their experiences about the quality management systems, quality standards and certifications etc., in their organizations.

All the presentations were very informative and the audience interacted well with the speakers at the seminar, in which about 30 members participated.

(From Right) Hiren Sha, Vice-Chairman, IACC-TN, Bhupalam Ajit, Station Manager, DNV India (Pvt) Ltd. S. Chandrakumar, Sr. Project Engineer, UL India Pvt Ltd, R. Anand, Chairman, IACC-TN, Ravi Sundaram, EC Member, IACC-TN, D. Shyam Sundar, CTS-Manager, SGS India Pvt. Ltd, D.V. Venkatagiri, Regional Secretary, South India Council-IACC.





## IACC Participates in SME Expo Autoparts '07

Indo-American Chamber of Commerce (IACC) Chennai, participated in the ICICI Bank SME expo Autoparts 2007 held from 20 to 22 February 2007 at Chennai Trade Centre, Chennai. IACC exhibited its publications and other materials at the exhibition. About one 160 members visited the IACC stall.

The Chief Guest for the exhibition inauguration was Mohamed Aslam, Joint Secretary, Transport Department, Government of Tamil Nadu. Ramachandran, Regional Manager, ICICI Bank, Chennai, welcomed the exhibitors and introduced the chief guest to the audience. About 40 exhibitors participated in the EXPO.



(From Right) Abdul Kareem, Exec. Admin, IACC-Tamil Nadu Branch, P. Satheesh, Asst. Manager-Projects, IACC-South India Council.

## Corporate Governance is Value-based, Needs Continuous Improvement

Indo-American Chamber of Commerce (IACC), Tamil Nadu, organized a meeting on "Corporate Governance - Challenges and Prospects" on 22 December 2006 at Hotel Savera, Chennai. The Chief Guest & speaker for the meeting was G. Anantharaman, whole-time member, Securities and Exchange Board of India (SEBI). R. Anand, Chairman of IACC-TN, welcomed the chief Guest and the participants at the meeting.

Anantharaman talked about corporate governance in India and abroad and the government rules and regulations governing this field. He talked about Indian Revenue Systems, (i.e, Income Tax, Professional Tax,

Corporate Tax, Excise duties etc. and the various systems in the Revenue Department) and referred to companies and individuals deviating from the systems.

Anantharaman remarked that, more than the quantity of companies getting listed, the quality of them was important. He emphasized that Corporate Governance was something that has to come from "within" the person, based on good values, and said that continuous improvement is required for Corporate Governance. The audience also interacted with the speaker. More than 60 members participated in the meeting.

## KERALA BRANCH

### US Economy Resilient Enough to Overcome Iraq Crisis

The Managing Committee of Indo-American Chamber of Commerce (IACC), Kerala, organized a dinner meeting in honour of Senator Arlen Specter and his wife on 17 December, 2006 in Cochin. He was accompanied by officials from US Consulate, Chennai.

Specter interacted with the members of the IACC Managing Committee and answered queries raised by

the members. He spoke at length about the American involvement in Iraq war and hoped America would soon disengage from the present political crisis facing in that country. Specter said that though huge amount of money is spent in Iraq, the American economy is resilient enough to overcome the crisis.





## NORTH INDIA COUNCIL

### Indo-US Initiative to Build Strategic SME Alliance

An interactive session to “promote trade and expand business network between small and medium enterprises (SME's) in India and the US,” has been organized in New Delhi recently by the Northern India council of the Indo-American Chamber of Commerce.

The session, in which Mavel A Rosales, Associate Administrator for International Trade, US Small Business Administration from Washington D.C, participated, was conducted jointly with the Small Industries Service Institute, Ministry of Small Scale Industries, Government of India, at the Institute's premises on 29 January 2007.

Rosales provided valuable insights and a clear perspective on some of the challenges faced by the SME's seeking to participate in international trade, such as finding the right overseas market, dealing with the initial complexities of exporting, financing, marketing and identifying marketing potential.

Rosales said he was happy to announce that on 24 January 2007, a letter of intent was signed between himself and Jawhar Sircar, Additional Secretary and Development Commissioner, Ministry of Small Scale Industries (SSI) to promote trade and strategic opportunities for the small and medium enterprises (SME) in India and the US.

As a result of this initiative, Rosales said that the two sides would develop a work plan to identify specific joint activities that will promote small business strategic alliance and institutional co-operation.

The fields in which the two would work together include exchange of technical expertise, identification of investment opportunities and sharing information on small business products and services. This initiative would definitely enable Indian SMEs and help them channel resources and create new jobs, Rosales added.

## Doing Business in US: Value, Pricing & Marketing Vital for Success

Indo-American Chamber of Commerce, NIC, organized a workshop on 30 January 2007 to discuss the issues relating to 'Doing Business in the US'.

The workshop was addressed by Bruce Fredrickson of DemandEdge, Vivek Mehra of Pricewaterhousecoopers, Peter Kaestner and Omesh Sethi from Ranbaxy.

Fredrickson said the key to success, while initiating or expanding business in the US, depended on three things - value, pricing and marketing. He said that his experience in US proved that US customers paid more emphasis to quality of a product rather than its low cost.

Fredrickson said that selling products in the US market only on the basis of low cost of a product would be a short-term success formula and cited the example of Japan, which captured the US market in the 80's, which

was replaced by South Korea in the 90's and now by China, which was entering the US on the basis of its low cost products. He said that capturing the US market only on the basis of low pricing meant renting share not buying it.

According to Fredrickson, successful marketing of products is also necessary to make a company's presence felt in the US market. Adequate amount of research with regard to current trends, size of the market, competitors should be done while entering the US market.

Talking about the features of the US



market, he said that it was an open market and their existed equal opportunities for all the countries as cultural difference had vanished now. He emphasized on importance of knowledge, planning, execution, and speed. Biggest advantage of India vis-a-vis China lies in its educated management class, he said.

Prasad Medury and S. Madhavan (Vice Presidents, IACC, NIC) welcomed the participants by briefing them about the agenda of the workshop.

Mehra gave an overview of the US Tax system and talked about various financial and taxation related aspects. He said that US taxed its citizens on worldwide basis and there was no way one could escape paying

taxes in the US but one could easily do tax planning. Mehra also spoke about various financial options available for doing business in the US.

Sethi shared his experience of doing Business in the US and talked about product liability, trade practices, taxation and transfer pricing. He said that maintaining documents with respect to taxation and transfer pricing was very necessary.



Vivek Mehra, Executive Director, PricewaterhouseCoopers, Peter Kaestner, Minister Counselor for Consular Affairs, US Embassy, Bruce Fredrickson, Managing Partner, Demand Edge; S. Madhavan, Regional Vice President, IACC & Executive Director, PricewaterhouseCoopers, Omesh Sethi, Ranbaxy Laboratories

## Current Trends in Immigration Invest in US & Get A Green Card

Indo American Chamber of Commerce (IACC) New Delhi, organized an interactive meeting on "Current trends in US Immigration and Green Card Via Investment In USA" on 8th Jan 2007 to discuss the issues relating to Immigrant Visa and acquiring US Green Card via Investment route.

**A similar meeting was organized by the IACC (Karnataka) on 11 January 2007 in Bangalore.**

Henry Liebman, President & Co-Founder, American Life Inc. and also a Washington based real estate and immigration lawyer along with Michael Phulwani, author of the book "Guide to US Visas" and Attorney at Law practicing Immigration & Nationality Law in India and the U.S, addressed the participants at the meetings both in New Delhi and Bangalore.

Liebman talked about how to get a Green Card or how to acquire a U.S citizenship. According to him,

- 1) Green cards can be obtained through close family members, employers, and asylum after one year. Visas are always available for immediate family members of US citizens (spouse, parent and minor child).
- 2) A Person should be capable enough to invest in US Every year around 10,000 principal applicants is approved for green card through investment (spouses and family members are not considered principal applicants). Of the 10,000 investor visas available annually, 5,000 are set aside for those who apply under a pilot program involving an CIS-designated "Regional Centre"

A "Regional Center:"

- Is an entity, organization or agency that has been



approved as such by the Service;

- Focuses on a specific geographic area within the United States; and,
- Seeks to promote economic growth through increased export sales, improved regional productivity, creation of new jobs, and increased domestic capital investment.

A person can achieve green card by investing one million dollars or more, which provide full-time employment to at least ten US citizens.

Green card through investment is created to promote investments in businesses and to create and preserve jobs in the United States.

Phulwani explained about various types of Non-Immigrant visas. He discussed various issues pertaining to acquiring a US visa.

He explained about four categories of visas, which generally are of interest to Indian businesses, namely

**1) B-1 visa-** it is a temporary visa and is issued for specific purposes like attending meetings, conferences, selling or promoting particular product or machinery. The visa doesn't allow the person to be gainfully employed in the US

**2) B-2 visa** is issued to a person going to the US for pleasure, tourism, or visiting friends and relatives or for medical treatment.

It is necessary for the applicant to prove his/her intentions of coming back to the country of their origin to the US visa authorities for both the above-mentioned visas.

**3) H-1B visa-** The US government offers the H-1B visa to enable highly skilled workers and students from all over the world, or to those who are already in the US the opportunity to legally live and work in America. 65,000 H-1B visas are issued annually. It is available from the month of October every year and one can apply for it from April onwards.

Applicants for H-1B visas are not required to prove that they have any intentions of permanently staying in the US. Therefore, a person intending to immigrate permanently to US or having an

immigrant petition filed on their behalf, cannot be denied a visa if the applicant has the intention of permanently residing in the US.

**4) L-1 visa** can be issued to a person if his/her Company is having intra-company relationship, common ownership and control with a foreign company.

It can also be issued to a person who within the last three years has worked abroad for at least one year in an executive, managerial or a specialized capacity and who is being transferred temporarily to work in subsidiary of Affiliate Company in US.

A person having L-1 visa can directly apply for Green Card. Even people eligible for L-1 visa can do so. This visa is issued for a period of up to seven years.

In answer to the question asked on what should be the level of a company applying for L-1 visa, Phulwani replied that there is no predefined criterion but the amount of revenues and number of employees should be sufficient.

**It is further categorize into two**

**a) L-1A visa-** in case of this visa an applicant must furnish all necessary documents including funds, place of conducting business in US, plan etc

**b) L-1B visa -** It is for persons employed for at least one year (6 months if petition is based on an L blanket) of the previous three years at a non-U.S firm, corporation, or other legal entity, which will come to the U.S to work at its related entity in the US as an employee who has specialized knowledge. Specialized knowledge means that a person must have skill and/or knowledge in the field that they are currently employed in.

The interactive discussion proved to be of real help to the executives and entrepreneurs, who got vivid and precise answers to their queries. The evening surely was a success and would act as an impetus to drive the IACC to conduct more of such events in future and deliver business solutions to its members.

Henry Leiberan, Vinod Madhok, Regional President, IACC; Michael (Mike) Phulwani







## Interaction on Redefining Knowledge Management

Indo-American Chamber of Commerce NIC organized an interactive meeting in the Indian Capital city on 13 March 2007 for renowned businessmen to discuss the issues relating to the 'Use of IT in Knowledge Management for Businesses and Industries'.

The meeting was addressed by Dr Martin Grossman, Assistant Professor in the Department of Management at Bridgewater State College, Clayton Bond (Second Secretary US Embassy), and Pantulu Avasarala (Director, Cincom Development Center).

Dr. Grossman introduced to the participants the concept of Knowledge Management, by defining it as getting the right information, to the right person, at the right time to make the right decision. He referred to the recognition that Blogs and Wikipedia were gaining in today's scenario and said that in 1997 not a single Blog existed in the world and in the year 2006 there number was 60 million, emphasizing their growing importance and adoption by different companies.

Dr. Grossman said that in order to achieve global standards, enterprises should Leverage knowledge globally, organize themselves for complexity, work electronically, handle continuous and discontinuous change. "Today's work environment is more complex and in this kind of environment it becomes necessary to work, adapt, innovate faster. And there is need to do more with fewer employees," he said.

Dr. Grossman said the use of modern information technology (IT) could be made to systematize, enhance and expedite knowledge management inside and outside a firm. "It involves capturing knowledge, storing it, allowing users to search the system for relevant knowledge, making

knowledge available to them and communication, collaboration, storage and retrieval of Knowledge," he added.

Earlier, Dr. Prasad Medury, IACC Regional Vice President welcomed the participants by briefing them about the theme of the meeting and emphasizing that SMEs are an untapped area with huge potential.

Avasarala in his presentation pointed out that the success of any enterprise depended upon adopting advanced technology, mass customization and targeting towards complex manufacturing. He said that SMEs did not have direct channels and they faced problems in chasing the complex sales process.

"Solution lies in collecting data, converting it into information, which passes itself into knowledge," Avasarala said. He talked about the role which IT sector could play in the development of Businesses and Industries.

"IT has over the years integrated with the manufacturing sector to enable it to consistently deliver products of quality and minimum rejections. Today India is viewed as Knowledge based Manufacturing hub," Avasarala said.



Clayton Bond (Second Secretary US Embassy), Dr Prasad Medury, Regional Vice President, IACC, Dr Martin Grossman, Assistant Professor in the Department of Management at Bridgewater State College, and Pantulu Avasarala (Director, Cincom Development Center).



## Alabama Business Delegation Visits Mumbai, Chennai & New Delhi

# JVs & 2-Way Investment likely in Aviation, Oil & Gas, Farm Sectors

A 15-member Business Delegation from Alabama, USA visited India in February 2007 to explore opportunities for joint ventures and two-way investment.

The Delegation, led by Ms. Hilda Lockhart, Director, International Trade, Alabama Development Office, visited three Indian cities - **Mumbai, Chennai and New Delhi** where the respective branches of the Indo-American Chamber of Commerce organized business meetings for the visitors.

In Mumbai, IACC organized one-on-one meetings for the delegates on February 12 and arranged a breakfast meeting the following day.

Atul Nishar, Regional President IACC, welcomed the delegates at the breakfast meeting and brief presentations on doing Business in India and Indo-US trade were made.

Roger Wehner, Project Manager, Alabama Power Company, during his presentation, said that Alabama was proud to have India as one of its top twenty trading partners. Alabama exports to India reached \$146.8 million in 2005, representing an increase of over 39 percent from the previous year. Exports included chemicals, electric machinery, plastics and industrial machinery, he said.

The purpose of this business mission to India was to access and explore business opportunities and foster partnerships between India and the Alabama area, Wehner said.

The delegation also met V K Jairath, Secretary, Industries, the Government of Maharashtra.

The Alabama delegation visited the southern Indian city of Chennai in Tamil Nadu (TN) state on February 14 for a business meeting. R. Anand, Chairman of IACC-TN, welcomed the participants and introduced the speakers at the meeting.

Ms. Lockhart, explained the scope of doing business developments in Alabama, and said that Indian companies would benefit by doing business with Alabama companies.

Wehner presented the advantages of doing business with the Alabama companies and focused on the business development areas between Alabama and India. The audience also interacted with the speakers. About 25 IACC members participated in the meeting.

On February 15, the North India Council of the Indo-American Chamber of Commerce (IACC) organized an interactive session in New Delhi, between the visiting delegates and members of the Chambers.

Ms. Lockhart, on being informed about the IACC annual



flagship event: Indo-US Economic Summit, expressed her commitment to mount a delegation to India for attending this year's event scheduled from 18 to 20 September in New Delhi.

At the start of the session, former IACC Regional President Gautam Mahajan welcomed the delegates.

Roger Wehner, Project Manager, Alabama Power Company, gave a presentation on why the State of Alabama remained an ideal business and investment destination for the Indian companies.



Gautam Mahajan, Past Regional President, IACC with the Alabama Business Delegation.

Krishan Malhotra, Partner, RSM & Co. made a presentation on "Emergent India: An Ideal Business Destination."

The delegates were unanimous in underlining the potential that lay in promoting joint business ventures between companies in India and Alabama in civil aviation, aerospace, oil and natural gas, agriculture



Hilda Lockhart, leader of the delegation addressing the meeting. Also seen (L-R) Gautam Mahajan and Krishan Malhotra, Partner, RSM & Co.

and many more sectors.

IACC also organized one-to-one meetings between the delegates and representatives of Indian companies. Top executives from around 25 Indian companies had fruitful business discussions with the US delegates.

Deepak Pahwa, President, IACC hosted cocktails for the delegation in the evening.

## VARANASI BRANCH

### 'SEZs are a Country Within a Country' Experts Unravel '07 Union Budget

The Varanasi branch of the Indo-American Chamber of Commerce organized a one-day seminar on "BUDGET

2007" on 11 March 2007, which was attended besides the members of the chamber, a large number of professionals, bank officials, students from the Benaras Hindu University and media persons. Anil Gupta and Ravi Holani, reputed chartered accountants from New Delhi and Gwalior respectively were guest speakers. IACC Members officers from Banks, senior students of Banaras Hindu University and media personnels participated in the seminar.

Earlier, IACC (Varanasi) Vice Chairman Debashis Mukherjee welcomed guest speakers and







participants. Mr. Mukherjee briefly presented activities of the Chamber and expressed the hope that purposeful discussion would take place on this very important topic.

Presenting his view on salient features of the Budget, Ravi Holani said that accountability and transparency are two pillars of the economy and to ensure these, the need for a budget arises. Gupta outlined the various heads under which the revenue is foregone i.e., the government offers tax exemption. According to him, the estimated amount lost due to corporate income tax exemption in the form of income tax, Fringe Benefit Tax and Dividend Distribution Tax is Rs. 50,000 crore while the total amount accrued is

Rs. 90,000 crore. The amount exempted in case of personal income tax is Rs. 15,000 crore. In case of customs duty it is Rs. 1,33,000 crore. The total amount exempted comes out to be Rs. 2,88,000 crore - which is indeed a substantial sum.

Gupta elaborated that the major portion of the corporate taxes in India was paid by a handful of companies and they could influence the government policies substantially by lobbying. While there are over 3 lakh companies in India, only 113 companies contributed about 49 percent of the corporate tax to the Government out of the total, he said.

Gupta revealed that China had increased corporate taxes by 15 percent for foreign companies and reduced 15 percent for indigenous firms which was a clear advantage to these companies. The surcharge on Fringe Benefit Tax in India was zero and foreign companies did not pay any Dividend Distribution Tax, he said.

Explaining the Double Taxation Avoidance Agreement, Gupta said that in the case of Non-residents DTAA was applicable, even overriding the provisions of the Income Tax Act. Issue of Special Economic Zones (SEZs) was also discussed. "SEZs are a country within a country in the sense that there are no fiscal laws applicable here. Service Tax, Income Tax, Customs Duty, Excise Duty and all other taxes are fully exempted here. It is planned that 300 SEZs soon would be established in India. One SEZ is of about the size of Chandigarh. India has signed the Tariff and Trade agreement with WTO. So Free Trade Zones (FTZs) would also be established in India soon," he said.

Gupta regretted that these days people derived conclusions just on the basis of the budget speech of the Finance Minister and did not bother to look at the Budget as a whole.

Highlighting the important Budget features, the guest speakers said that Employee Stock Options would come under the Fringe Benefit Tax. The Dividend Distribution

Tax had been increased to 15 percent which would act as a deterrent to the general investors. Surcharge on corporate income tax on companies below Rs. 1 crore had been removed and the income tax exemption limit for individuals raised to 10,000 which would result in a savings of Rs. 1,000.

Gupta answered questions from audience relating to the provisions of the Income Tax Act in various cases. For example, he clarified that under Section 195, if payment was made to an agent outside India for a foreign trader, the commission would not fall under TDS. Similarly, under Section 80IC, MAT affected the private limited companies only (Minimum Alternative Tax).

Holani in his address explained the various sectors which were likely to come under the ambit of the Service Tax as per the proposal amendment of Section 65 of Chapter V of the Finance Act 1994. These services are: Design services, development and supply of any mobile value added services, renting of immovable property, telecommunication services, work contract, mining services, banking and financial services, rent-a-cab and management & business consultant services.

Summing up, Holani said the modification was a small attempt to expand the scope of levy as expressed by the leadership of the country, but while giving the final touch at least social-economic condition of the country, level of the knowledge and education of the citizen, the behaviour of the revenue (while imposing the levy and penal consequences for not performing such specified direction as given by them) would always be kept in mind which could only be possible if the leadership of the country walked on the ground to know the reality of land rather than to create quite absurd and complex situation. Even before applying the absolute data of 54 percent GDP (i.e. the story of contribution of service sector in GDP), they should know the comparative analysis i.e. the percentage of population based on such portion of GDP. Moreover, the percentage of GDP should be analyzed in terms of different classes of services by comparing the same with different classes and sector of population rather than to apply the data in absolute terms in air.

Holani answered queries regarding the implications of the proposals. He was pointedly asked about the renting of immovable property and work contracts. One view that emerged from the discussion was that there were certain provisions of the Budget which seemed ambiguous and needed clarifications.

Mukul Kumar Shah, a member of the Branch Committee and a Chartered Accountant himself, conducted the Seminar. Past Chairman Mohit K. Saigal thanked guest speakers and participants of the Seminar.



## EAST INDIA COUNCIL

# Bengal Focuses on Food Processing to Revive Agriculture, Create Rural Jobs

After successfully promoting West Bengal as the ideal destination for investment in Information Technology (IT) and IT-Enabled Services (ITES) sector in the State's urban centers, its Chief Minister Buddhadeb Bhattacharjee has now turned his attention to the Food Processing industry, which holds tremendous economic potential for the rural areas.

Revealing the his government's plans for setting up six food parks across the state, Bhattacharya told a seminar organized in Kolkata recently by the Eastern Indian Council of the Indo-American Chamber of Commerce (IACC) in collaboration with Ministry of Food Processing, that these enterprises would be built and run on a private-public partnership module. In addition, the government was also committed to launching a 500-acre mega food park in the state, adding that the effort was to rejuvenate West Bengal's agricultural sector.

"Only export of agriculture products like fruits, flowers and vegetables cannot boost the growth of economy. We need to add value to it by creating more job opportunities," said Bhattacharya. The chief minister cited the example of a disinfectant unit at Malda, which was started to deliver mangoes free of bacteria.

He also said that Dabur, which is establishing a R&D centre in Rajarhat and has recently acquired land, will process fruits and vegetables such as pineapple, mango and tomato. "Though in West Bengal the growth rate in agriculture is 4.0 percent as compared to the national growth rate which has dangerously plummeted to 2.0 percent, there are certain ills plaguing agriculture here," Bhattacharya pointed out. "We have failed to set up market mechanism, cold storage chains but we are corresponding with certain government and private companies to address this problem. Reliance, Pantaloons and ITC have shown interest in this sector," he added.

Bhattacharya also spoke of introducing organic farming in the state and using bio-technology in agriculture to step up productivity.

Union Food Processing Minister Subodh Kant Sahai was present on the occasion along with Geoffrey Tyatt, Deputy Chief of Mission and Carmine D Aloisio, Minister Counselor from the US Embassy, New Delhi and US Consul General in Kolkata Henry Jardine.

Besides plans to set up food parks, the state government is

also exploring possibilities of enhancing the food processing infrastructure. Short and medium-term efforts towards achieving this goal include augmentation of cold storage and supply chains, storage logistics, introduction of US technology and farming methods.

Suggestions that certain modules like contract farming, buy-back, outsourcing, prospects of export to the US and other countries were appreciated at the seminar.

Sahai said the Central Government was aware of the need to step up investment in agriculture as 60 percent of the country's population was dependent on agriculture. "We are planning to invest Rs 100,000 crore in agriculture and food processing over the next five years. But the taxation structure on agriculture products is not uniform in every state. This sector should not be taxed more than 4 percent on non-perishable products and zero percent for perishable items" he said.

Stressing the importance of contractual farming, Sahai said eight states had agreed to amend the APMC Act which would facilitate contract farming",

A nanotechnology development center, IT and ITes services centers, amusement park, luxury apartments, hospitals, hotels and a lot more are set to come up in a package of Rs. 1000 crores investment in Rajarhat. One of the largest Chambers of Commerce on the East Coast of US at New Jersey, the Asian Indian Chamber of Commerce is keen to invest in a state-of-the-art IT Park with a provision for mini voice enabled ERP solution, voice enabling of any application (VESP), voice enabled web service provider (VEWSP), state of the art R&D facilities and IT and ITes support services in the city.

The seminar was also told that the state government was setting up terminal markets across the state. Once the terminal facilities are in place, farmers will not have to travel to faraway markets to sell their produce. The new hubs will be linked to a number of collection centers, to be conveniently located at key production centers to allow easy access to farmers. The terminal markets will provide transport, cold storage and banking facilities to the farmers. There will also be a computerized auction system through which farmers can sell their produce to the highest bidder. ITC and Reliance Industries, too, are in the process to build their own terminal markets in Bengal.

## Apollo BPO Plans to Buy 2 US Firms



Apollo Health Street, the BPO and IT solutions arm of Apollo Hospitals group, is in the process of acquiring two US-based companies.

Ms Sangita Reddy, Director (Operations) of Apollo Hospitals group, said if the acquisitions materialised the company's headcount could cross the 2,000-mark by the

end of the financial year. As of now, the company employs 1,600, including 300 in the US.

Meanwhile, the hospital major, which has tied up with German insurance company DKV for offering health insurance services in India, is likely to enter the market in June with the first product. ■

## GVK Bio in Indian JV with INC Research

GVK Biosciences (GVK BIO) has entered into a 50:50 joint venture with INC Research (INC) to form INC GVK BIO Pvt Ltd. The venture will establish a dedicated resource capability to offer Phase I-IV clinical development programmes in India for INC's global clients.

The joint venture will enable INC Research to conduct its global clinical trials in the areas of Oncology, CNS, Infectious Diseases and Paediatrics involving Phase I-IV studies.

GVK BIO currently provides contract research services to a rapidly growing base of global pharmaceutical and biotechnology companies.

Commenting on the new initiative, G.V. Sanjay Reddy, Chief Executive Officer, GVK BIO, said, "The joint venture provides an opportunity for GVK BIO to gain access to INC Research's global reach while leveraging on its India-based Clinical Research capabilities."

Kelvin Logan, President of INC Research Europe, stated, "Our international base of operations has expanded strategically last year, with the addition of several new offices in Europe and now India. This joint venture will allow INC Research to further solidify and expand its presence within the world CRO market." ■





# M&M Ties-up with US Firm to make Heavy Commercial Vehicles in India

Mahindra & Mahindra (M&M) and its joint venture partner, International Truck and Engine Corp (ITEC) of the US, will form a new subsidiary to set up a medium and heavy commercial vehicle plant near Pune at an investment of Rs 2,500 crore, which will be invested in a span of five to six years.

Dr Pawan Goenka, President, automotive sector of M&M, said the Indian company would have a 51 per cent or more holding in the new subsidiary.

The exact location for the plant has not yet been decided. The Maharashtra Government has offered three locations within the Pune district for the new project.

The new plant will be set on a 700-acre plot that will have an annual production capacity of 2,50,000 units. Of these, 50,000 units will cater to the domestic market for the US joint venture partner while the remaining will



be Mahindra products. Production is likely to commence in two years (2009).

According to a press release, the plant will have the capacity to produce a wide range of commercial vehicles, and will include cab assembly, vehicle assembly, and a paint shop. The vehicles will have 90 per cent local content from the start due to the availability of quality parts and materials from Indian suppliers.

Besides investing in a new plant, M&M announced fresh investments of Rs 750 crore to double and upgrade its existing auto components units.

For the fourth Mahindra automotive plant to be set up in Maharashtra, a memorandum of understanding was signed with the State Government. ■

## Global Vectra Helicorp Acquires 3 Bell Helicopters

Global Vectra Helicorp (GVHL), an Indian offshore air logistics helicopter company, has inducted three brand new Bell 412 helicopters into its current fleet of 15. GVHL has invested \$22.5 million to acquire the 3 offshore configured aircraft which have been funded through equity and lease finance.

Two of these three new acquisitions will be deployed to serve Reliance Industries on the east coast as well as the west coast and the third will be used for another company for their west coast operations.

Meanwhile, it also signed an agreement to provide helicopter services to Transocean Offshore

International Ventures and its affiliate for a period of three years at a contract value of Rs 43 crore approximately.

These new Bell 412 helicopters can seat two pilots and 13 passengers and are identical to the 15 Bell 412s which GVHL already has.

The addition of aircraft has swelled up GVHL's fleet size to 18 helicopters and has also added to the total fleet of off-shore air logistics industry which has a total strength of 39 off-shore helicopters. ■



## Synaptris Signs Marketing Pact with Twiceware

Synaptris, the software products company of the Cybernet Software Systems Group, has tied up with Chennai-based Twiceware Infinite Solutions to market its reporting and operational business intelligence products, according to a press release.

This is part of the company's plan to expand its reach in India. As part of the tie up, Twiceware would dedicate a team to market, sell and support Synaptris' products, said the release. This includes Synaptris' integrated solutions covering information lifecycle management that helps businesses generate 'actionable information' from data.

The tie up will target small and medium enterprises working in verticals such as manufacturing, services and trading that run business applications for finance, human resources and production.

Over the next year, Synaptris plans to add 10 more such product partners across the country, said the release. As of now, Synaptris has over 2,000 customers and two lakh licensed users spread across 40 countries. Its products include 'IntelliPRINT,' an enterprise reporting and analytics suite of products and 'IntelliVIEW,' an operational business intelligence solution. ■

## GM's Mini-Car Chevrolet Spark to Hit the Roads in Early '07

General Motors India is likely to roll out its mini-car Chevrolet Spark in early 2007. The launch of is part of GM's plan to be a significant player in the Indian car market, dominated by small cars, with a market share of 10 per cent by 2010.

The initial production of Spark will be done out of GM's Halol plant in Gujarat. Later, the car will be produced at its new plant coming up at Talegaon near Pune in Maharashtra on an investment of about Rs 1,300 crore.

Addressing mediapersons at the launch of a premium hatchback car 'Chevrolet Aveo U-VA', recently, P Balendran, vice-president, General Motors India, said that the Talegaon plant would be ready by August 2008 and was expected to have a capacity of 140,000 units a year. The capacity expansion at the Halol plant started last year, is expected to be completed by March.

The company is scaling up its production capacity to 85,000 units a year from the present 65,000. However, total capacity for 2007 will be about 70,000 as the expanded capacity will be available only from

April this year. With capacity addition through the new plant, GM is expected to gain the capacity to produce 225,000 cars annually by 2008, said Balendran.

During this year, GM plans to sell 20,000 units on the Aveo platform, 20,000-22,000 units of Tavera and 10,000 units of Optra. Balendran also said the company was planning to launch its premium sports utility vehicle, Captiva, and a diesel version of its premium sedan Optra during 2007.

The 1.2-litre Aveo U-VA comes with three variants and the base model will have a price tag (ex-showroom Chennai) of Rs 399,562. The other two variants Aveo U-VA LS and Aveo U-VA LT will be priced at Rs 439,552 and Rs 479,482 respectively (ex-showroom Chennai). The company also offers the option of a anti-lock braking system for the Aveo U-VA LT model.

This year, the company plans to expand its presence to 96 towns from 79, GM officials said. It also plans to increase the number of showrooms to 214 from the present 95 and workshops to 222 from 98. ■

## Kirloskar Bros Secures Orders from US Firms

Pune-based Kirloskar Brothers Ltd (KBL), a player in pump manufacturing segment, has bagged a contract worth \$1.92 million to supply two sets of vertical circulating water pumpsets to Bechtel Power Corporation, Maryland, USA.

The pumps will be installed at the 568 MW Sandow Steam Electric Station, unit 5 of Texas Utilities, USA. The pumps, engineered in-house by Kirloskar Brothers, are meant for the critical application of pumping sea water for condenser cooling in power plants, KBL director R K Srivastava said.

This would be the company's largest capacity vertical pumps for circulating water application in the international market. "KBL is the first Indian pump manufacturer to get an entry into the market as a vendor of equipment for such a critical application," Srivastava said.

KBL has bagged another international order from California-based JF Shea Construction, the largest turnkey contractor from USA in the water sector, for supplying four sets of sewage water pumpsets for



Beaumont MESA Sewer Lift Station, California, USA. The order is worth \$ 176,000.

Both these orders would have an impact on the revenue of the company in the fiscal 2007-08, Srivastava said. KBL holds about 80 percent market share in the vertical circulating water pumps market in India and has supplied such pumps to National Thermal Power Corporation, Nuclear Power Corporation and major state electricity boards.

The US orders have come close on the heels of the company winning two domestic orders recently. It had bagged a supplemental order worth Rs 1,093.3 million under Gandikota lift irrigation scheme of government of Andhra Pradesh.

It also won a letter of intent for design supply, supervision of erection and commissioning of VT pumps and motors for the entire eleven pumping stations under Handri Niva Sujala Sravanthi (HNSS) project, also in Andhra Pradesh, with a contract value of Rs 1,397.4 million. ■

## Accenture to Step up India Operations

Consulting firm Accenture Ltd. plans to raise its staff numbers in India by 30 percent to 35,000 by August, 2007 overtaking the United States as its biggest employment hub, Chief Executive William Green has said recently. The expansion underscores India's growing importance as a destination for outsourcing.

Accenture, one of the world's largest consulting companies, currently employs 27,000 people in India, spread across six cities -- Bangalore, Mumbai, Delhi, Hyderabad, Pune and Chennai, accounting for about 19 percent of its global workforce.

It has about 30,000 employees in the United States. "At 35,000 people at the end of our fiscal year, India will become the largest country for Accenture, passing the United States," Green told reporters.

"India has become such an essential component of Accenture and the men and women here are very important to our success, to our future," he said. Green, who joined Accenture in 1977, said the global outsourcing demand continued to be strong as companies look to improve quality and service by cutting costs.

"I think the momentum you have seen in our business over the last 4-5 quarters... you will continue to see that kind of momentum going forward," he said. In December 2006, Accenture forecast net revenue in the current quarter, its fiscal second, of \$4.6 billion to \$4.8 billion after topping analyst expectations with a 32 percent rise in net income in the November quarter.

India's low-cost, English-speaking engineering workforce has attracted a number of global companies like IBM and Electronic Data Systems Corp., which outsource services such as supply-chain management, payroll processing, and financial analytics. Their growing presence in India present stiff competition to Indian software majors such as Tata Consultancy Services Ltd. and Infosys Technologies Ltd.

In June last year, IBM said it would invest \$6 billion in India over three years as part of its move to increase outsourcing services and client management from Asia's fourth-largest economy. Texas-based Dell Inc., the world's leading personal computer maker, said in March it planned to double its staff in India to 20,000 over three years. ■



# Trinity Capital Lines up \$10 bn to Develop Three Indian Metros

The New York-based real estate investment fund Trinity Capital has lined up \$10 billion, which may go up to \$12 billion, to develop three satellite cities on the outskirts of three major metros - Mumbai, New Delhi and Bangalore.

Each of the satellite townships, to be built over a 1,000 acre spread, will see an investment of \$ 2-4 billion. Trinity is also in the process of lining up \$2.5 billion for investing across 10,000 hotel rooms in the country over the next five years.

Disclosing the fund's investment plans, Aashish Kalra, Managing Director of Trikona Capital, the asset manager for Trinity's funds, said, "We will bring in the best of breed planners and developers for our projects in both township development and our hospitality projects."

Kalra added, "We have put in place a team of senior American town planners and real estate experts to create the master plan. The locations are being identified by our Indian team. We expect to launch the projects by the year-end."

On the township development, he said, "Each of the townships will be built from the scratch with local partners. We are in the process of identifying the partners."

About the fund's strategy for investment in the burgeoning hospitality industry, Kalra said, "Our aim is to build 10,000 hotel rooms, which translates into around 400 hotels, in the next five years. In the first two years, we expect 40 hotels along the highways being built by IL&FS Transport Networks (ITNL) in which we have 10 per cent stake. In year three and four we expect to construct around 100 hotels each but the real growth will come in the year five when we will build around 200 hotels." Kalra said the group had already tied up with the Meridien and Hyatt groups in the luxury segment and the Intercontinental group in the mid market segment to manage its properties.

"We will also be looking to develop our own hotel brands in these five years," he added.

Trinity Capital, promoted by Aashish Kalra and Rak Chugh, is an India-focussed real estate fund which has been investing in commercial and retail properties and township developments. ■

