

## India expects \$5.5 billion investments in chip sector

THE Indian government, which notified its semiconductor policy in March, expects to attract investments of about \$5.5 billion in the sector over the next three years. According to Dayanidhi Maran, the Minister for IT and Communications, about two to three fabrication units are expected to be set up by 2010.

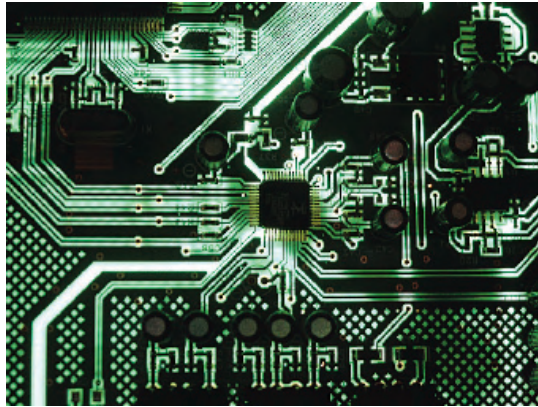
The government will be reopening talks with international chip majors including Intel, which had plans to locate their units in India, but were waiting for the government's policies. The new semiconductor policy envisages capital subsidy, by way of tax breaks and interest-free loans.

Companies setting up semiconductor fabrication units in a special economic zone (SEZ) will get an incentive of 20 per cent capital subsidy during the first 10 years, while those setting up units outside the zones will get a 25 per cent subsidy. The company will have to invest a minimum of \$500 million for semiconductor products, and about \$230 million for other products including storage devices, micro and nano technology products, etc.

The incentives cover manufacture of semiconductors, displays (liquid crystal and plasma) and solar cells and photovoltaic cells as well. Besides chip giants like Intel and AMD, other international firms are also interested in investing

in India.

Infineon Technologies AG, a semiconductor supplier for communications, automobile, security and industry applications, recently signed a memorandum of understanding (MoU) with Hindustan Semiconductor Manufacturing Corporation (HSMC), a company promoted by a group of Silicon Valley-based NRIs.



The MoU relates to the licensing of its 130 nm (nanometer) CMOS (Complementary Metal-Oxide-Semiconductor) process technology, and will help build a foundation for the production of integrated circuits for mobile phones, ID cards and automobiles in India. Infineon has been active in India for 10 years.

According to Dr Deven Verma, chairman, HSMC, the initiative "will lead India to become a destination of choice for the future of manufacturing hi-tech products." Domestic demand for semiconductors is projected to reach \$36 billion by 2015.

HSMC plans to set up two semiconductor manufacturing facilities in India, with total investments of about \$4.5 billion.

About 200 semiconductor companies have opened offices in India, mainly in the area of chip design. A recent study by the India Semiconductor Association and Frost & Sullivan estimates the semiconductor market in India is likely to grow from \$3.25 billion in 2006 to \$36 billion by 2015.

## UAE, India business groups in tie-ups for projects worth \$25 billion

INDIA'S growing ties with the United Arab Emirates (UAE), home to nearly half of the five million expatriate Indians living in the Gulf region, was underlined following the signing of five agreements between the two countries.

UAE's Vice-President and Prime Minister Shaikh Mohammed bin Rashid Al Maktoum held talks with Prime Minister Manmohan Singh during his two-day visit to Delhi recently. Union Commerce Minister Kamal Nath and the UAE's minister of state for Finance and Industry Mohammed Khalfan bin Khirbash signed an agreement for developing industrial ties between the two countries.

Other agreements related to an amendment to the avoidance of double taxation treaty, technical cooperation between official agencies of the two countries, including India's Bureau of Indian Standards, the National Accreditation Board for Testing and Calibration Laboratories, and the Securities and Exchange Board of India (SEBI).

SEBI, which is a signatory to the multilateral agreement

of the International Organisation of Securities Commissions, has signed similar memoranda of understanding (MoU) with several other countries.

Shaikh Mohammed, who is also the ruler of Dubai, said he wanted the UAE to emerge as India's top trading partner, replacing the US and China, which today rank number one and two. Bilateral trade between India and the UAE amounts to \$12.9 billion.

Indian companies also signed major agreements with their UAE counterparts, involving investments of about \$25 billion. The largest was the one between leading Indian real estate developer, DLF, and the UAE's developer Al Nakheel, relating to the setting up of two mega townships.

The 50:50 joint venture plans to develop sprawling townships covering 40,000 acres of land outside Delhi and Mumbai, and the overall costs would exceed \$10 billion. The Hinduja group also signed an agreement with a UAE partner.

## IISc declared 'leadership university' by US major

TEXAS Instruments (TI), a semiconductor industry leader, has declared the Indian Institute of Science (IISc) as one of the top four 'leadership universities' in the world. IISc is the first university outside the US that will join TI's research network.

TI selected IISc as a leadership university based on its innovation and research leadership, in-depth knowledge of technology, deep understanding of industry needs, focus on future technologies like wireless, consumer, medical, and industrial applications.

As a Leadership University, IISc will receive a seed funding of \$400,000 over five years, which is an extension of existing funding already received by IISc. It will also gain enhanced access to TI's teams worldwide, and an opportunity to work with TI's other Leadership Universities on future TI funded programmes.

The funding will be used to support research programmes for industry specific applications as well as curriculum development in DSP, analog and mixed signal systems.

"The higher education in engineering and science you get here provides you with critical skills and also enables you to transform the lives of millions through invention and discovery," Rich K Templeton, TI president and CEO told students at the institute. "Our goal in joining with IISc through the Leadership University programme is to enable engineers to use electronics innovation to enrich lives."

IISc is a post graduate institute known to produce excellent post-graduates and PhDs. TI has been working with IISc for over 10 years.



## Australian service firms urged to develop 'India Strategy'

AUSTRALIAN service companies have been asked by an official think-tank to develop an 'India Strategy,' to ensure they get a foothold in one of the fastest-growing economies of the world.

A study by the economic analytical unit of the Department of Foreign Affairs and Trade of the Australian government notes that India could become the world's fastest-growing economy over the next half century, creating huge opportunities for Australian service companies.

"India has been Australia's second fastest-growing market for services exports over the past five years," says the report – India's Service Sector: Unlocking Opportunity – which was recently released by Warren Truss, the country's trade minister. "Australian companies are taking advantage of emerging opportunities in engineering, infrastructure design, health-care and mining services." There are huge opportunities for foreign consultants as well, adds the report.

## Mumbai could emerge as global financial hub: expert panel

THE Indian government is eager to ensure the emergence of Mumbai as an international financial hub. An expert panel had recommended that the country's financial and commercial capital could be made into a global financial hub, similar to London, New York or Singapore.

The growing integration of international financial markets is driving this move to make Mumbai a global finance centre. The city is home to the country's two leading stock exchanges – the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). International bourses have in recent months acquired a stake in both the exchanges – Deutsche Borse bought a five per cent stake in the BSE, while the New York Stock Exchange acquired a similar stake in the NSE.

The Indian government recently changed the rules, allowing up to 49 per cent foreign equity (both direct and portfolio) in exchanges.

## Briefs

### Edelweiss to launch mutual fund

Edelweiss, a Mumbai-based financial services company, is investing over \$90 million in new businesses, including asset management company and a non-banking financial company.

Edelweiss has received in-principal approval from the Securities and Exchange Board of India (SEBI), the country's capital market regulator, for the new mutual fund. According to Rashesh Shah, CEO and managing director, Edelweiss, the company would offer a wide range of products to investors.

### INSAT-4B launched, to boost direct-to-home services

INDIA'S latest telecommunication satellite, INSAT-4B, was successfully launched by the European Ariane 5 rocket from French Guiana. The satellite would boost direct-to-home (DTH) services in the country. According to G. Madhavan Nair, chairman, Indian Space Research Organisation (ISRO), the satellite will be in geosynchronous orbit at a height of 36,000 km.

### Freescale opens 300,000 sq ft facility in Noida

Freescale Semiconductor Inc has opened a 300,000 sq ft semiconductor design centre in Noida on the outskirts of Delhi. The US-based chipmaker has invested about \$50 million in India recently. Last year, Freescale established a 100,000 sq ft software design centre in Bangalore.

### Gitanjali Group plans foray into luxury retail market

The Gitanjali Group, a leading diamond trading corporate, is making a foray into the luxury retail market through its new venture Luxury Connexions (Lx) & Luxury Malls. The new entity will serve as an interface between the growing luxury business in India and international brands that are keen to be a part of the Indian luxury market.

## India has largest number of billionaires in Asia

INDIA has the largest number of billionaires in Asia, more than even Japan, and next only to the US, Germany and Russia. According to the Forbes 2007 listing of billionaires, there are 36 Indian billionaires, 14 of who joined the list last year. Asia had 54 new billionaires featured in the list of 946 billionaires, 14 of whom were from India. Japan, which led Asia with the largest number of billionaires for 20 years in the Forbes list, was finally topped by India.

Three Indians – Lakshmi Niwas Mittal (whose wealth adds up to \$32 billion, and ranks as the fifth richest person in the world), Mukesh Ambani (\$20.1 billion and 14th in the list) and Anil Ambani (\$18.2 billion and 18th) – are featured in the top-20 billionaires list in the world. Next to the US, India has the largest number of billionaires in the top-20 list.

Other Indians featured in the billionaires list include Azim Premji (\$17.1 billion and 21st), Kushal Pal Singh of DLF (\$10 billion, 62nd), Sunil Mittal (\$9.5 billion, 69th), and Kumar Mangalam Birla and the Ruia brothers (Shashi and Ruia) – (\$8 billion and ranking 86th).

Interestingly, the total wealth of Indian billionaires shot up by almost \$90 billion, from \$98.8 billion in 2006 to \$191 billion. Japan's 24 billionaires have combined wealth amounting to a mere \$64 billion, just a third of the assets owned by their counterparts in India. The wealth of all 946 billionaires added up to \$3.5 trillion. Bill Gates, the founder of Microsoft, topped the list for the 13th year in a row, with net worth of \$56 billion. There were 415 American billionaires in the list, with combined wealth of \$1.36 trillion.

## 34 Indian companies in Forbes corporate giants list

ONGC tops the list of 34 Indian companies that are featured in the list of 2000 corporate giants around the world, published by Forbes magazine. The list includes five Indian oil and gas companies, four IT majors, three each from the materials and capital goods sectors, two utilities, and one each from the food, consumer durable and telecommunication segments.

The companies are ranked on the basis of sales, profits, assets and market valuations. ONGC is featured in at overall rank 239, and is followed by Reliance Industries (258), State Bank of India (326) and Indian Oil (399).

IT majors that are featured in the list include TCS (1,047), Infosys Technologies (1,130), Wipro (1,233) and Satyam Computers (1,874). SBI, which is the third among Indian corporates, tops the list of Indian banks. It is followed by ICICI Bank (536), HDFC Ltd (1,376), and Punjab National Bank (1,308).

Steel Authority of India Ltd, Tata Steel and Hindustan Zinc are the Indian firms featured in the materials list.

The top seven spots in the global 2000 list is dominated by American companies, led by Citigroup and followed by Bank of America, HSBC Holdings and General Electric.



## Rain-linked insurance risk cover for coffee growers in the south



THE Agriculture Insurance Company of India (AIC), an autonomous body and part of the Union Agriculture Ministry, has launched a weather-linked risk cover for coffee growers. The World Bank, international reinsurers and other coffee growing nations including Nicaragua have shown an interest in this unique product.

According to K. Nageshwara Rao, chief manager, AIC, the premium has been worked out on the basis of 30-year historical rainfall data from 43 different coffee zones, including 23 in Karnataka, 11 in Kerala and nine in Tamil Nadu. The scheme would cover about 85,000 growers in the three states.

Initially, it will cover the monsoon rains this season, but from next year, it will provide coverage for blossom and backing showers as well. Growers can opt for all three risks, or any one or two of them. The company hopes to launch other similar plantation crop-specific schemes at a later date.

The government, through the Coffee Board, is providing a 50 per cent subsidy on premiums for small growers with estates up to 10 hectares. The board expects nearly half of small growers to opt for the scheme.

## Citigroup VC acquires 20 per cent stake in Indian brokerage firm

CITIGROUP Venture Capital International has bought a nearly 20 per cent stake in Anand Rathi Securities (ARS), a Mumbai-based stock brokerage firm, promoted by Anand Rathi, a former president of the Bombay Stock Exchange.

Many other Indian brokerages have raised funds by selling off part of their stake to international private equity firms. Recently, BNP Paribas acquired a stake in Geojit Financial Services Ltd.

"We are happy to have Citigroup Venture Capital as a financial partner with us for our long term growth," said Rathi. "Financial partnership with a renowned international fund and extra resources will assist us in achieving faster growth. The funding will be used to further expand the company's network of branches and create yet greater value for our customers through advanced technology."

Other brokerages that have sold off a part of their stake to international firms include Motilal Oswal Securities, Edelweiss Securities, IL&FS Investsmart and Indiabulls Financial Services.

## Briefs

### GlobalRoads launches R&D centre in Hyderabad

GlobalRoads Inc., a leading provider of sales automation services and open source solutions for businesses of all sizes, has launched its Research and Development (R&D) centre in Hyderabad.

The facility is located in Info City and is expected to employ up to 70 per cent of the company's engineering resources over the next three years.

### 20th Century Fox, Excel launch movies for gaming consoles

Excel Home Videos in association with Twentieth Century Fox is releasing movies that are compatible with gaming consoles. "The initiative focuses on the ongoing convergence of various media and enriching the cinema experience for our viewers since it can be viewed in transit," says M.N Kapasi, Managing Director, Excel Home Videos

### Bombay University plans to tap capital markets

BOMBAY University is likely to tap the capital markets to finance its expansion plans and to upgrade the quality of education.

According to Dr Vijay Khole, the vice-chancellor, the university will conduct a feasibility study about getting listed on the Bombay Stock Exchange.

### Wipro launches publishing platform

WIPRO Technologies, the global IT services division of Wipro Limited has launched an Integrated Publishing Platform (IPP) to address the Media, Publishing and Information Services markets.

It is a unique solution to build an integrated supply chain across the content value chain.

IPP will also help Publishing and Information Services companies to significantly reduce "time-to-publish" across creation, management and distribution functions in their organisation.