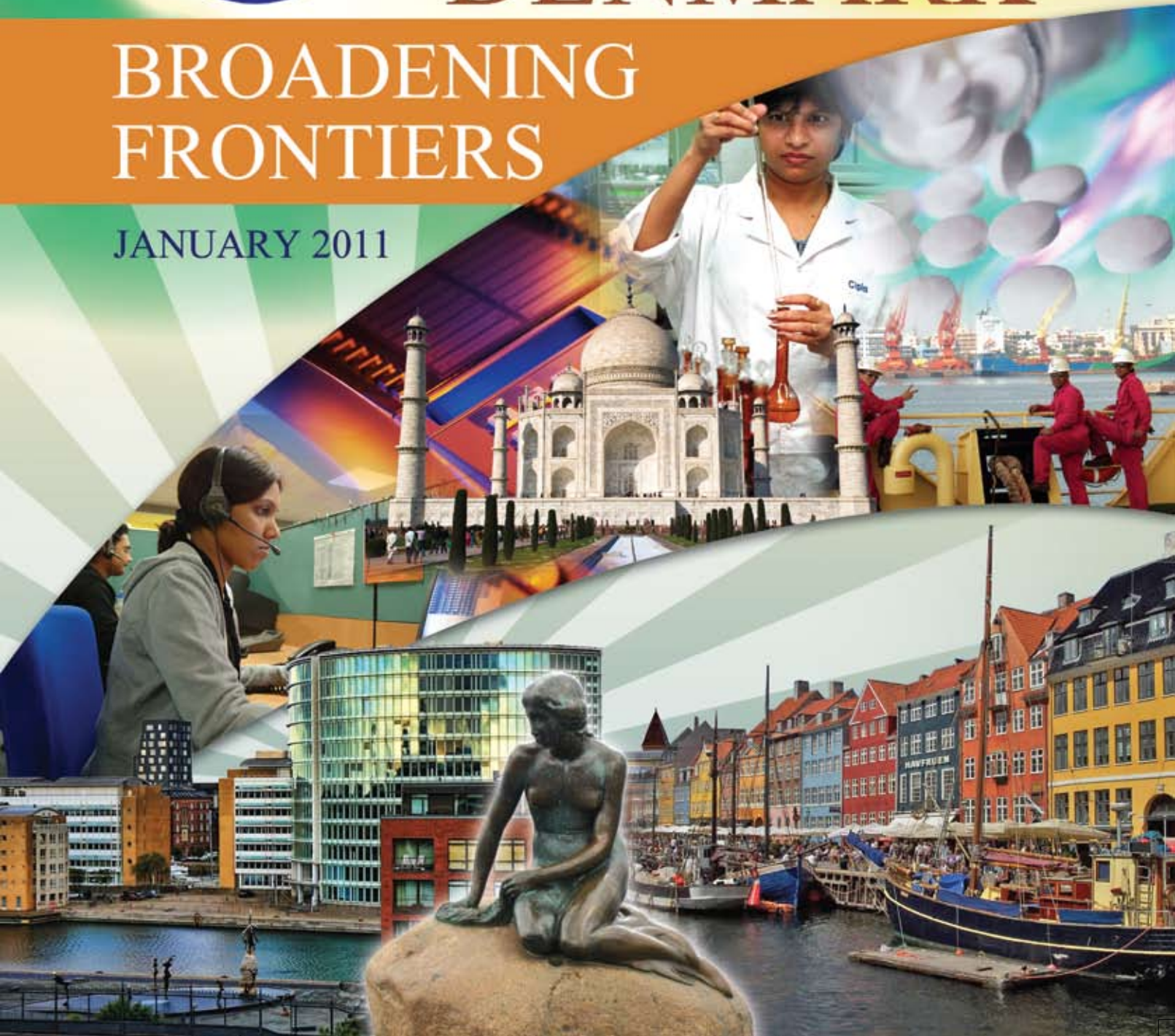




INDIA DENMARK

BROADENING
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H.E. Mr. Ashok Kumar Attri
Ambassador of India to Denmark

Foreword

It gives me a great pleasure to present the January 2011 issue of the 'India-Denmark - Broadening Frontiers'. An effort has been made through these pages to present a closer understanding of the multi-faceted dimensions of India-Denmark relations and a glimpse of India in 21st Century.

Pandit Jawaharlal Nehru laid the foundation for a friendly relationship between India and Denmark in 1957 when he visited Denmark. The bilateral relations between India and Denmark are cordial and friendly, based on synergies in political, economic, academic and research fields. There have been regular high level visits between the two countries.

The two countries share common interests and intend to work together in finding solutions to the global challenges of the 21st century, including combating terrorism and climate change and promoting international trade. Both countries have entered into many bilateral agreements and treaties, and are striving for enhancing cooperation in trade and investment, research in science and technology, energy, climate and environment, biotechnology and life sciences, culture, education etc. for mutual benefit.

Modern India is a success story of sustainability in economic reforms and growth, which were initiated in 1991. Due to these reforms India today is the second fastest growing large economy in the world with an annual growth of 7-9 percent.

Denmark is a rich country with an open economy, which relies heavily on foreign trade, investment and advanced technology to generate high levels of income. Danish companies looking for new growth areas, new talent pool, and new markets are increasingly exploring India. In December 2010, India and Denmark operationalised Bilateral Joint Commission which will pave the way for cooperation in a wide range of areas such as shipping, agriculture, fisheries, biotechnology, the environment, education, culture and information & communication technology.

While it is an ancient civilization, India today is a predominantly young country. As the population of many major economies ages, the younger population of India would be expected to form the bulk of the global workforce. Shortage of skilled manpower will be one of the major challenges facing the Danish economy. India can easily assist to meet these demands especially in the field of IT, biotechnology and Health Sectors. Some of the India's IT universities are as good as the very best IT educational institutions in the US and Europe. There is also a growing interest in Indian companies to invest in Denmark. Cooperation in the fields of renewable energy, pharmaceutical, food processing, shipping, electronics and infrastructure sectors is envisioned.

Although relations between India and Denmark are on the course of steady growth there is still a large potential which can be tapped with bridging the lack of information about the capacity and growth potential of the two countries. It is our effort to lessen this information gap and thereby help in building new bridges not only in political and business circles but also among the friendly people of Denmark.

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INDIA-DENMARK RELATIONS



First meeting of the India-Denmark Joint Commission held at New Delhi on 14 December 2010

Deepening Ties: New Areas of Cooperation

India and Denmark relations are historic and friendly. They date back to the 17th century. In 1620, a Danish explorer Ove Giedde reached the east coast of India, Tranquebar, now known as Tarangambadi in Tamil Nadu. Tranquebar remained the centre of Danish activities till 1815 when it was transferred to the British.

Another Danish, I.C. Soetmann, established a colony Frederiksnagore (Serampore) near Kolkatta which was also transferred to the British in 1845. Nicobar Island, which the Danes captured from the Austrians in 1784, was the third place of Danish presence in India. Nicobar was also transferred to the British in the middle of 19th century. Danish activities in India were focused on trade, missionary work and to certain extent in academics.

The first Protestant missionaries to set their foot in India were two Lutherans, Ziegenbalg and Heinrich Pluetschau, who arrived in Tranquebar in 1705 and translated the Bible into the Tamil language.

Nehru's Landmark Visit

Pandit Jawaharlal Nehru's visit to Denmark in 1957 marked the beginning of present day India-Denmark relations. Till 1998, Indo-Danish relations continued to revolve around the developmental aid provided by Denmark and the programmes operated by it in India through the Danish Development Agency (DANIDA). In 2003, India returned the entire outstanding loan to Denmark, phasing out the DANIDA projects in



20 June 1957 – Pt. Jawaharlal Nehru, Hon'ble Prime Minister of India and Mr. H.C. Hansen, Hon'ble Prime Minister of Denmark at Tivoli Garden, Copenhagen

India. Since then, Indo-Danish relations are based on reciprocity, equality and mutual respect, demonstrating synergies in various fields including, economic, trade, investment and technology cooperation.

The other Indian Prime Ministers who visited Denmark were Smt. Indira Gandhi in 1983, Shri Narasimha Rao in 1995, Shri Atal Bihari Vajpayee in 2002 for the India-EU and India-Denmark bilateral summits and Hon'ble Prime Minister Dr. Manmohan Singh in 2009 to participate in COP-15. Indian visits have been reciprocated by several high-level visits from Denmark.

From Denmark

Danish Prime Minister Shri Viggo Kampmann visited India in 1962. Her Majesty the Queen Margrethe II visited India in 1963 as the Crown Princess. The Danish Prime Minister Shri Anker Jorgensen visited India in 1980 followed by Prime Minister Poul Schluter in 1987 and Prime Minister Poul Nyrup Rasmussen in 1995. Crown Prince Frederik, led a trade

delegation to India in 2003. Similarly former Prime Minister of Denmark Shri Anders Fogh Rasmussen accompanied by a large business delegation paid a State visit to India in 2008 and later Prime Minister Lars Lokke visited India in 2009 to attend COP-15 meeting.

Joint Commission

There are various mechanisms in place to enhance the Indo-Danish bilateral relations. In February 2008, during the visit of Danish Prime Minister to India, the agreement to establish a Joint Commission for Cooperation to strengthen bilateral relations in all fields of mutual interest was signed. The Foreign Ministers of both countries will function as the Co-Chairpersons of

the Commission. The first meeting of the Joint Commission was held in New Delhi on 14th December 2010 during the visit of Ms. Lene Espersen, Hon'ble Foreign Minister of Denmark. It was agreed in the Joint Commission meeting that both sides will work to have closer cooperation in political and economic areas including shipping, agriculture, fisheries, biotechnology, environment, education, culture and information & communication technology.

Areas of Cooperation

The Memorandum of Understanding for Cooperation in New and Renewable Energy was signed between the two countries in February 2008 during the Danish Prime Minister's visit to New Delhi. The two meetings of the Joint

Committee formed under the MoU have already taken place, one in April 2008 in Denmark which was attended by Shri Vilas Muttemwar, Hon'ble Minister of State for New and Renewable Energy of India, and the second in New Delhi in November 2008 which was attended by the Danish Deputy State Secretary who led a delegation of Danish Energy Agency.

Some of the important agreements arrived at in these meetings are the collaboration of Denmark in grid integration of wind energy; decision to work together in addressing requirements for security of wind farms in cyclonic conditions; assistance of Denmark to the Centre for Wind Energy Technology, Chennai, in international accreditation of their testing and certification services.

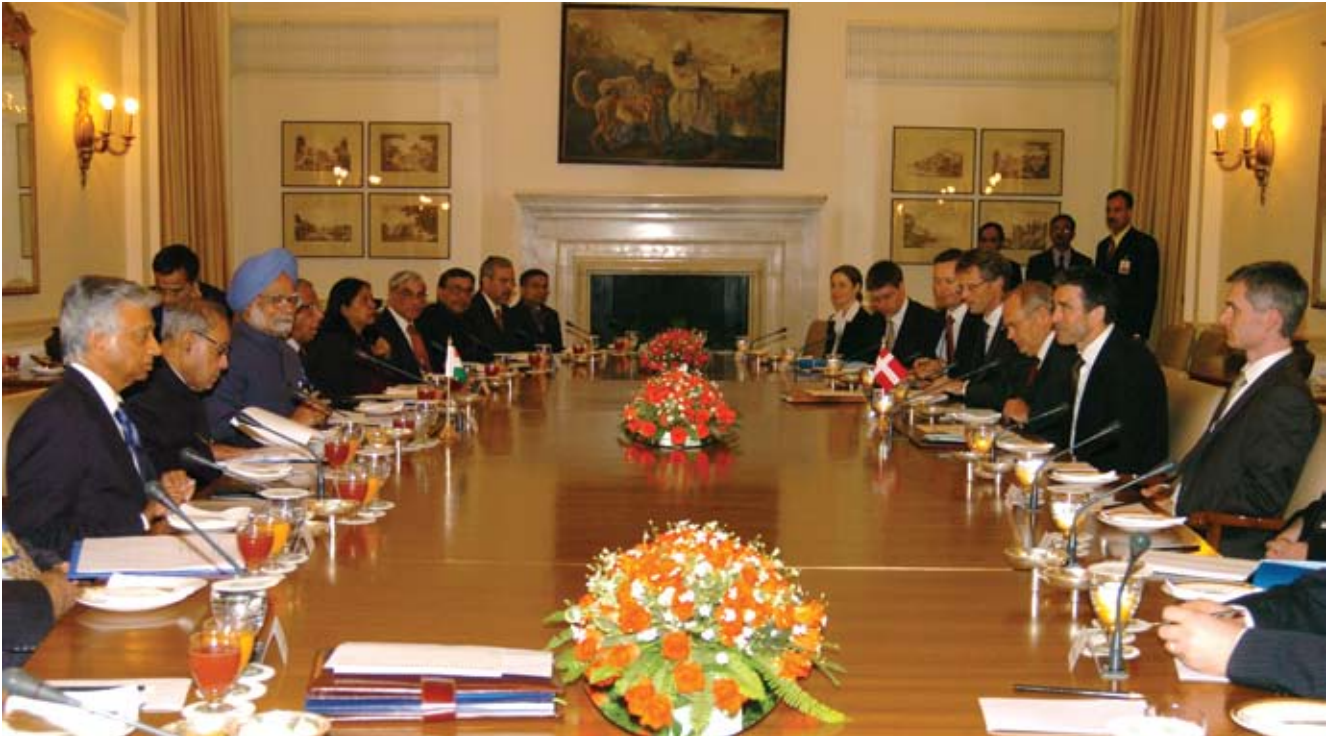
Agreements

Denmark has a strong resource base and technological competencies in the area of clean energy, energy efficiency and waste management. India signed a Memorandum of Understanding on Clean Development Mechanism with Denmark in October 2008 in New Delhi aiming at facilitating Indo-Danish cooperation under the Clean Development Mechanism (CDM) of the Kyoto Protocol and facilitating transfer of technology and know-how from Denmark to India. Subsequently, a comprehensive MoU on Cooperation in Environment was signed during the Danish Prime Minister's visit to India in September 2009, paving the way for cooperation in high priority areas such as water pollution control, air pollution control, waste management, biodiversity conservation, harmful chemicals management, etc.

The Memorandum of Understanding for Cooperation in New and Renewable Energy was signed between the two countries in February 2008 during the Danish Prime Minister's visit to New Delhi



Hon'ble Minister of External Affairs Shri. S.M. Krishnan with Ms. Lene Espersen, Hon'ble Foreign Minister of Denmark during Joint Commission meeting in New Delhi on 14 December 2010



Hon'ble Prime Minister, Dr. Manmohan Singh with the Hon'ble Prime Minister of Denmark, Mr. Anders Fogh Rasmussen at the delegation level talks, in New Delhi on 06 February 2008

In water management, DHI Solutions of Denmark have been arranging short term training programmes for the experts from Bhakra Beas Management Board and National Institute of Hydrology. The Memorandum of Understanding on Biotechnology was signed between the two countries in 2004. The MoU calls for promoting joint research and development in several fields including Proteomics and Protein Mass Spectrometry, Bioinformatics, effective drug or

vaccine for tuberculosis, traditional Indian medicines, stem cells, and life style diseases (obesity and Type 2 Diabetes).

India and Denmark signed the MoU on Labour Mobility Partnership in September 2009 during the visit of Hon'ble Minister of Overseas Indian Affairs to Denmark. The MoU is aimed at structured recruitment of Indian labour by Denmark. The first meeting of the Joint Working Group on Labour

Mobility partnership was held in Copenhagen in June 2010.

The two countries entered into a Social Security Agreement in February 2010 during the visit of Danish Minister for Employment and Gender Equality to New Delhi. This agreement will protect the workers in either country against double payment of social security contributions and loss of benefits. The Agreement will come into force after ratification by both countries.

Commemorative Postage Stamp on Henning Holck-Larsen

To commemorate the life and work of Mr. Henning Holck-Larsen, a co-founder of Larsen & Toubro, the Department of Posts issued a commemorative postage stamp on the birth centenary of Mr. Henning Holck-Larsen. Born on 4th July 1907 in Denmark, Mr. Henning Holck-Larsen made India his home, embraced and internalised traditional Indian values and set his goal on nation building.

Mr. Henning Holck-Larsen, an engineer by profession, who, in partnership with another Danish Engineer, Soren Kristian Toubro founded the firm in 1938, which



became a private limited company in 1946 and then a public limited company in 1950. Since then, the company has grown from a modest firm into a giant industrial conglomerate with business interests in every facet of newly-independent growth sectors - infrastructure, manufacture of complex heavy equipment, oil, gas, power, defence. L&T has made critical contribution towards India's progress in space research and nuclear power programme. L&T has also greatly contributed to the corporate growth, commercial and infrastructure development of the country.



Harnessing Mutual Strengths: Growing Trade and Investment

Denmark recognises India's reforms and capabilities to emerge as a major economy

The close and friendly relations between India and Denmark have been further strengthened in the recent past with high-level meetings between the leaderships of the two countries.

Denmark recognises India's reforms and capabilities to emerge as a major economy in the 21st Century and has shown keen interest in encouraging mutually beneficial cooperation. India is also conscious of Denmark's niche in key business areas like Wind energy, Clean-tech, Shipping, Biotechnology, Pharmaceuticals, Food processing, Engineering design and Innovation, Industrial valves and gears, Enzymes, etc. The relations are thus complementary - India benefits from the advanced technology from

Denmark while Denmark gets new business and growth market.

Paradigm Shift

In December 2003, India in pursuance of a general plan to phase out its dependence on foreign loans returned the entire outstanding Danish State loan amounting to DKK 528 million to Denmark and phased out the DANIDA projects in India. Since then India-Denmark economic relations have undergone a paradigm shift and the focus has shifted towards bilateral trade, services and investment.

To take the economic ties to the next level, both countries are now focusing on non-traditional areas and knowledge based industries such as Information

Technology, Biotechnology, Pharmaceuticals and Food Processing industries. There is considerable scope for growth in other areas such as Research, Science & Technology, Non-conventional energy, Education and Human Resource.

Trade

The bilateral trade between India and Denmark has doubled from US\$530.9 million in 2003 to US\$1077 million in 2009. The trade balance is in favour of India. The major Danish export to India have been in medicinal/pharmaceutical products, power generating machinery, industrial machinery, metal waste and ore, organic chemicals etc. Indian export have been in traditional items such as apparels/ready-made garments

(45.8% of total), textiles/fabrics/yarns/ carpets, road vehicles and components, metal goods, iron and steel, footwear, travel goods, including leather goods, industrial machinery and accessories, chemical material and products etc. Denmark offers considerable potential for further expansion and growth of trade with India and the thrust areas are Information Technology, Telecommunication, Biotechnology, Food processing, Pharmaceuticals, Energy, Environment, and Skilled human resource.

Danish Investments

Both countries offer considerable scope for increased investments. The cumulative FDI inflows from Denmark from April 2000 to September 2010 have been US\$173.12 million. The Danish investments are prominent in the construction sectors like Infrastructure development and modernisation of ports, transport industry, telecommunication, electrical equipments, wind turbines, agro-intermediates/insecticides and the Engineering sector.

Potential exists for the Danish companies to invest in renewable energy, pharmaceutical, food processing, shipping, electronics and infrastructure sectors. Major investing

From the Danish perspective, there is a promising market in India with growth expected at a high rate over the next several decades. This has been visible for some time now with liberalised policies for trade and investment

companies from Denmark include the Danish Shipping giant, the AP Moller - Maersk Group who has made significant investments in the port infrastructure in India, acquiring a major equity stake in the Gujarat Pipavav Port, development of a bulk terminal at the Jawaharlal Nehru Port, Cheminova Agro, F.L. Smidth & Co., Dabfissm CHR Hansen, Danisco, LM Glasfiber, Lundbeck, Egmont International Holding, Novozymes, Novo Nordisk, Carlsberg, Ramboll, ISS and others.

Indian Investment

The Indian investment in Denmark during 2009 has been to the tune of US\$19 million. The presence of Indian companies in Denmark is rather small. Tata Consultancy Services (TCS) and L&T Infotech have their offices in Denmark since 1990 and 2000 respectively. Other Indian IT majors, viz., Infosys Technologies, ITC Infotech, and Mahindra Satyam have also established their presence in a small scale. Reliance Industries Ltd. acquired 'Trevira Neckelmann', a textile factory as part of its take over of the European 'Trevira Group' from Deutsche Bank in 2004. Suzlon Energy Ltd. has its marketing office in Denmark since 2005.

Dr. Reddy's Laboratories Ltd (DRL) has entered into a co-development and commercialisation agreement with Denmark-based firm Rheoscience A/S for joint development of balaglitazone for the treatment of Type-2 Diabetes. Thermax India acquired Danstoker A/S, Denmark, a leading European boiler manufacturer and its German subsidiary, Omnical Kessel for Euro 29.5 million in November 2010.

Praj Industries and Novozymes of Denmark have entered into an agreement whereby Novozymes would



Hon'ble Deputy Prime Minister and Foreign Minister of Denmark, Ms. Lene Espersen meeting Hon'ble Union Minister for Commerce and Industry, Shri Anand Sharma, in New Delhi on 14 December 2010



Mr. Anand Sharma, Hon'ble Union Minister of Commerce and Industry with Mr. Brian Mikkelsen, Hon'ble Minister for Economy of Denmark in New Delhi. Mr. Brian Mikkelsen had a bilateral meeting with Mr. Anand Sharma on 6 January 2011

provide enzymes that will enable the Indian company to refine the process for making bioethanol – an organic and carbon-free alternative to petrol. This clearly reflects the emerging trend of cooperation between the two countries in knowledge-based industries.

India's Strength

From the Danish perspective, there is a promising market in India with growth expected at a high rate over the next several decades. This has been visible for some time now with liberalised policies for trade and investment. The opportunities have already been seized by more than 110 Danish companies having presence in India.

Moreover, while many of them have expansion plans, there is encouraging interest brewing up in the SME sector in Denmark to look outside for growth. The companies are now thinking in terms of shedding their mindset of doing business only within the Scandinavian/European countries. It is felt that this new group would also board the growth ship sooner or later.

The recent agreement signed at the Inaugural Meeting of the India-Denmark Joint Commission on 14 December 2010 Co-chaired by the Hon'ble Minister of External Affairs of India Mr. S.M. Krishna and the Hon'ble Minister of Foreign Affairs of Denmark Ms. Lene Espersen would give further "impetus to deepening and strengthening of bilateral ties in all fields of mutual interest." In order

to give a boost to the trade, investment and technological cooperation, the two sides have set up Joint Working Groups in areas such as Shipping, Biotechnology, Renewable Energy and Environment.

The size of Indian community in Denmark is small. The combined strength of Indian nationals and persons of Indian origin is estimated to be 6760. Most of them are living in Denmark and Aarhus, the two main cities of Denmark

Professionals

It is estimated that 18 percent of Danish population will be over 65 years of age by 2015 whereas it will be 6 percent in India. Denmark faces shortage of skilled manpower and in the long run, it may impede its economic progress. To maintain their competitive edge in hi-tech areas, Danish companies

are increasingly looking for skilled human resource from India especially in Information & Communication and Biotechnology, the two sectors in which India is considered strongly. Denmark has recently introduced 'Green Card' Scheme and has opened a 'Work in Denmark' Centre at the Danish Missions in India to attract skilled professionals to work in Danish companies. The two countries have also entered into institutional framework for future cooperation by signing recently the Memorandum of Understanding on Labour Mobility and Social Security Agreement.

The size of Indian community in Denmark is small. The combined strength of Indian nationals and persons of Indian origin is estimated to be 6760. Most of them are living in Denmark and Aarhus, the two main cities of Denmark. One third of Indian community arrived in Denmark between sixties and eighties and has fully integrated to the local mainstream. They are mainly in small business including running shops, kiosks and restaurants etc. Of late, IT professionals, doctors, engineers and others are also coming to Denmark on short term assignments or under the green card scheme launched by the Danish government.

The city of Copenhagen has a Gandhi Park known as Gandhi Plaene. A statue of Mahatma Gandhi in sitting posture is installed in this Park which was gifted by the Government of India. Aarhus City has a Nehru Road, near the Aarhus University which has been named after the Prime Minister of India Pandit Jawaharlal Nehru.

Steady Growth

Another area in which the bilateral cooperation is expected to grow is the export of skilled human resource from India to Denmark as the latter faces shortage of professionals due to demographic changes – engineers, IT specialists, doctors, etc. The two countries have already entered into institutional framework for future cooperation by signing recently the Memorandum of Understanding on Labour Mobility and Social Security Agreement.

The Indo-Danish political and economic relations are continuously improving with mutual understanding. Both the countries are cooperating in finding common solutions to bilateral as well as international issues. It is hoped that the two countries are set to achieve higher returns from their cooperation in the years to come.

India on the Move

India surges ahead, while exploring new frontiers of technology and development, in tandem with age-old philosophies, traditions and wisdom

India is a *mélange* of cultures, religions, races and languages, which manifest themselves in the shape of a vibrant, pluralistic society. India nurtures an ancient civilisation within a modern nation. The country has its roots in the 4500-year-old Indus Valley Civilisation, but its vision is poised for the 21st century: the reason why Indian society strides the frontiers of yesterday and tomorrow with consummate ease. Thus it is quite natural that here modernisation takes place in sync with tradition and has greater accent on evolution than on revolution.

In ancient times, India taught the world the concept of zero, explored the philosophical essence of Karma, and tapped the latent art in erotica. Today modernisation and tradition co-exist, making India culturally opulent, complex, and magical, yet truly cosmopolitan. Eclectic mixes; like traditional wisdom of Ayurvedic medicine along with state-of-the-art medical centres, or ancient temples and

their ruins, alongside modern 'temples of science' such as technology institutes; are but common. It is a land that may combine tourism and healthcare, or juxtapose the oldest with the newest cities; none seeming incongruous. It is a land, which has evolved out of a billion people's shared dream of growth in togetherness. It is a land where traditional wisdom walks hand-in-hand with the pursuit of excellence.

Succinctly put, India of the 21st century is as much about Khajuraho and Konark temples, and the Ajanta-Ellora caves, as it is of its IITs (Indian Institute of Technology) and AIIMS (All India Institute of Medical Sciences); it is as much about Rig Veda hymns as it is of Indipop chartbusters; it is as much about inner introspection as it is of the quest for material prosperity.

Today, India, the second most populous country with its one billion plus population, is galloping towards progress and prosperity, imbued with a positive sense of opportunity,

self-confidence and ambition. With economic development being the focal point of this progress, India is truly on the move...

A Vibrant Economy

Indian society is multifaceted on account of its cultural and religious diversity. With increasing global integration and exposure, Indian society is undergoing a pronounced change, impacted by the customs and life-styles of the Western society.

India is developing into an open-market economy. Economic liberalization, including reduced controls on foreign trade and investment, began in the early 1990s and has served to accelerate the country's growth, which has averaged more than 7 percent per annum since 1997. India's diverse economy encompasses traditional village farming, modern agriculture, handicrafts, a wide range of modern industries, and a multitude of services. Slightly more than half of the workforce



is in agriculture, but services are the major source of economic growth, accounting for more than half of India's output, with only one-third of its labour force.

India has capitalised on its large educated English-speaking population to become a major exporter of information technology services and software workers. An industrial slowdown early in 2008, followed by the global financial crisis, led annual GDP growth to slow to 6.5 percent in 2009, still the second highest growth in the world among major economies. India escaped the brunt of the global financial crisis because of cautious banking policies and a relatively low dependence on exports for growth. Domestic demand, driven by purchases of consumer durables and automobiles, has re-emerged as a key driver of growth, as exports have fallen since the global crisis started. India's fiscal deficit increased substantially in 2008 due to fuel and fertilizer subsidies, a debt waiver program for farmers, a job guarantee programme for rural workers, and stimulus expenditures.

The government abandoned its deficit target and allowed the deficit to reach 6.8 percent of GDP in FY10. Nevertheless, as shares of GDP, both government spending and taxation are among the lowest in the world. The government expressed a commitment to fiscal stimulus in FY10, and to deficit reduction the following two years. It has increased the pace of privatization of government-owned companies, partly to offset the deficit. India's long term challenges include widespread poverty,



shortcomings in physical and social infrastructure, limited employment opportunities, and insufficient access to basic and higher education.

India's main stock exchange, the Bombay Stock Exchange, has around 6,500 listed companies, which is second in size only to the NYSE. A total number of 9,600 companies are listed across India's 21 stock exchanges. It has the third largest investor base in the world.

Main Industries: Textiles, chemicals, food processing, steel, transportation equipment, cement, mining, petroleum, machinery, software, pharmaceuticals

Main Exports: Petroleum products,

precious stones, machinery, iron and steel, chemicals, vehicles, apparel.

Main Export Partners: UAE 12.87%; USA 12.59%; China 5.59% (2009).

Main Imports: Crude oil, precious stones, machinery, fertilizer, iron and steel, chemicals.

Main Import Partners: China 10.94%, US 7.16%, Saudi Arabia 5.36%, UAE 5.18%, Australia 5.02%, Germany 4.86%, Singapore 4.02% (2009)

Global Standing

Starting as one of the least-developed countries, India has emerged as a global player in many industries. Some examples:

- India is the largest producer of tea in the world, accounting for more than 30 percent of global production;
- India is the second-largest cement producing country in the world;
- The Indian pharmaceutical industry ranks 4th in the world in terms of volume;
- Aside from the USA and Japan, India is the only country to develop its own supercomputer;
- India is among only six countries in the world to develop its own satellite-launch technology;
- With more than 800 movies a year, India produces the largest number of movies in the world;
- India is the world's largest centre for diamond cutting and polishing.





Since 2001-02, the Indian auto-component industry has grown very fast, and has emerged as the sourcing hub for almost all global automobile companies. India is the world's 2nd largest fruit and vegetable producer. In recent years, India has also emerged as a global player in Information Technology, and ITES (IT Enabled Services)

Getting to Know India

One of the most striking features about India, which any foreign visitor must appreciate, is the size and diversity of this country. Given its vastness and variety, there is no single way to understand India. In fact, one observer once commented that 'India as a nation exists only in the minds of its population.' Many travellers find India unpredictable and confusing because they fail to grasp this point. The following paragraphs will give a perspective to understand one's experience of India

Geography and Climate: India is the seventh largest country in the world in terms of size, with a total landmass of 3,287,590 sq km. Located in South Asia, it has land boundary of 14,107 km with its neighbours (Pakistan, Afghanistan, China, Bangladesh, Myanmar, Nepal and Bhutan) and a coastline of 7,000 km, which stretches across the Arabian Sea and Bay of Bengal in the Indian Ocean.

On average, the Indian climate varies from tropical to temperate. However,

in reality, India has a multiplicity of climates and terrains across its regions, which ranges from snow-peaked Himalayas in the north, desert in the

west, thick rain forests in the north-east, flat green pastures in the Gangetic plains, and plateaus in south and central India.





Ambassador Ashok Kumar Attri meeting President Pratibha Patil before taking up his assignment in Denmark



Spouses of Indian diplomats, led by Mrs. Usha Kiran Attri, wife of the Ambassador of India joined the Cultural Confederation of Foreign Societies (KUKS) in the International Festival at the City Hall, Copenhagen. Mrs. Attri and spouses of other Ambassadors and lady Ambassadors on stage with Ms. Eleanor J. Bomholt, Q.S.M, President of KUKS at the inauguration of the Festival



In front of the Indian Stall at the KUKS International Festival at City Hall, Copenhagen. Seen from right are: Mrs. Kailash Minghlani, Mrs. Aruna Singh, Mrs. Usha Kiran Attri and Mrs. Asha Arora



Garlanding of Mahatma Gandhi's bust by the Charge d'Affairs Mr. Kuldeep Singh at Gandhi Plaene (Gandhi Park), Copenhagen, on the occasion of Mahatma Gandhi's birth anniversary on 2nd October 2010. The landmark statue of Mahatma Gandhi was donated by the Government of India and unveiled in the Park on 21 May 1985



Ambassador Ashok Kumar Attri and Mrs. Usha Kiran Attri proceeding for Credential presentation ceremony to Her Majesty Queen Margrethe-II at Frederiskberg Palace on 12 October 2010. On her left is Lt. Col. Christian Eugen-Olsen, Chamberlain, Master of Ceremonies.



The Heads of Royal Household and Royal Bodyguards presenting Guard of Honour to Ambassador Ashok Kumar Attri



Ambassador Ashok Kumar Attri inspecting the Guard of Honour, at Frederiskberg Palace on 12 October 2010. On his right is Ambassador Ove Ullerup, Chamberlain, Lord Chamberlain



Ambassador Mr. Ashok Kumar Attri conveying New Year's Greetings to Her Majesty Queen Margrethe II. Seen the photograph is Ms. Usha Kiran Attri also



During the visit of Ambassador Ashok Kumar Attri to the University of Copenhagen, Mr. Kenneth G. Zysk, Head of Indology Department of Indology explaining the contents of an old index box at the Library of the Indology Department. Also seen in the picture are from left to right: Mr. Kenneth G. Zysk, Ambassador Ashok Kumar Attri, Mr. Ingolf Thuesen and Mrs. Ravinder Kaur



Ambassador Ashok Kumar Attri presenting 41 books on India to the South Asian Centre of University of Copenhagen on 24 November, 2010. Seen in the picture are-from left to right: Ambassador Ashok Kumar Attri, Mrs. Ravinder Kaur, Associate Professor, South Asian Studies, Prof. Esther Fihl, and Mr. Ingolf Thuesen, Head of Department



Ms. Inger Stojberg, Minister of Employment of Denmark and Dr. A. Didar Singh, Secretary, Ministry of Overseas Indian Affairs, signing the Social Security Agreement on 17 February 2010, in New Delhi



Inauguration of Painting Exhibition on Indian Themes by Mr. Arne P. Salomosen at Gallery Tinghuset, Fredensborg on 23 Oct 2010. Ambassador Mr. Ashok Kumar Attri and Ms. Usha Kiran Attri are with the artist.

In general, October to March is a better period to visit India, which marks the winter season. During this time, the temperature can go as low as 2-3°C in the Northern mountains of India. However, in most other parts of the country, it is normally a comfortable 15-25°C. Indian summers (April to June) can be very hot, with the temperature reaching 50°C in many locations.

Population and Ethnic Composition: The population of India is more than 1 billion, which makes it the second most populous country in the world. Virtually all major world religions and ethnic strains can be found in India, though a majority of Indians come from the Indo-Aryan race (72%), followed by Dravidians (25%). Eighty-two percent (82%) of Indians are Hindu.

The other major religions, represented in Indian society, are Islam (12%), Christianity (3%), Sikhism (2%), Buddhism, Jains and Parsis. In addition, more than 300 local tribes constitute 8 percent of the Indian population.

Since different religions are concentrated in different parts of the country, the cultural values and norms also widely differ. For instance, Muslims are a majority in Kashmir, Sikhs are concentrated in Punjab; there is a larger proportion of Christians in certain states of North-Eastern India, and so on.

Given the large size of the population, even small proportional representation is actually quite large in real numbers. For instance, though only 12 percent of the total, India has the third or fourth largest Muslim population in the world (depending on the source). Similarly, though representing less than one percent, there are 5 million Buddhists in India.

Demographic Profile: Contrary to its image, India is a surprisingly young country, with a median age of 24. Around 40 percent of its population falls in the range of 20-44 years. Compared to the older generation, this younger generation is more confident, has more liberal and consumerist values, and is more ambitious.

This is a quite recent change in the country's demographics, and has implications for changes in cultural values.

There is a wide urban-rural divide in India. Indian society is primarily agrarian. More than 70 percent of India's population lives in villages, and subsists on agriculture. However, the

contribution of agriculture to the GDP is only 23 percent.

Technically Qualified Manpower: India has one of the largest populations of technically qualified manpower, comprising around 15 million doctors, engineers and scientists. On the other hand, the literacy rate in the country is just over 50 percent.

India has a large linguistic diversity. It has 18 constitutionally recognised major languages, in addition to around 1,600 other languages and dialects. There is no single language which is spoken by all Indians. According to the constitution, Hindi is the official national language. However, less than 40 percent of people in India can speak or understand Hindi. English is the co-official language, since it is spoken by most of the educated Indian class, and is the common language used in business situations.

Government and Political Structure: India achieved its freedom from the British in 1947, and opted to be a parliamentary democracy. Its constitution, which was adopted in 1949, incorporates many features of the constitutional systems of the western democracies, specifically of the United Kingdom and the United States of America.

The parliament is bicameral, consisting of Rajya Sabha (council of state or upper house) and Lok Sabha (house of the people or lower house).

India has a federal structure and is divided into 28 states and seven Union Territories. Each state and Union

Territory also has its own elected parliamentary assembly.

India is the world's largest democracy with an electorate of more than 600 million people. The parliament consists of more than 534 elected Members of Parliament. In the 2004 parliamentary elections, India also used indigenously developed electronic voting machines for conducting the elections.

India has 7 national political parties, and more than 40 political parties recognised by the Election Commission.

The President is the head of state, but it is largely a ceremonial post. The actual legislative power resides with the council of ministers, headed by the Prime Minister, who is the leader of the party in the majority. The voting age is 18 years.

A cadre of civil servants, who represent the bureaucracy, support the political leadership for executing the government policies. These government officers are selected through a very tough competitive examination across the country, and represent an intelligent and elite class.

The judiciary in India is independent of political/governmental influences. It has often made decisions which are critical of - or even against - the government's official policies. This occurs if such policies are believed by the judiciary to go against the basic spirit of the Indian Constitution.

Entrance Requirements: India has no barriers to the entry of foreigners, and it is quite easy to get a visa to enter the country from Indian missions and consulates abroad.

India Quick Facts

Official Name:	Republic of India
Capital:	New Delhi
Government Type:	Federal Republic
President:	Smt. Pratibha Devisingh Patil
Prime Minister:	Dr. Manmohan Singh
Area:	3,287,263 sq. km.
Neighbours:	Pakistan, Afghanistan, China, Nepal, Bhutan, Myanmar, Bangladesh
States/UTs:	28 States; 7 Union Territories
Official Language:	Hindi (English is common)
Natural Resources:	Coal, iron ore, manganese, mica, bauxite, titanium ore, chromites, natural gas, diamonds, petroleum, limestone, arable land
GDP (PPP):	US\$4.046 trillion (2010 est.)
GDP Growth:	8.3% (2010 est.)



Legal and Tax Matters for Foreign Investors in India

By Kaviraj Singh*

India is the seventh-largest country in terms of geographical area, the second-most populous country and the world's largest democracy in the world. India is a republic consisting of 29 States and 6 Union Territories. India has legislative powers distributed between Centre and the States with a parliamentary system of democracy. The official language of the Republic of India is Hindi with English as a secondary official language. There are about 16 officially recognized languages spoken across 28 states in India.

Economic Fundamentals

At present, India's GDP is US\$1.237 trillion, which makes it the twelfth-largest economy in the world at market exchange rates and fourth largest in purchasing power. In the late 2000s, India's economic growth has averaged at about 7.5 percent a year. A 2007 Goldman Sachs report has projected that "from 2007 to 2020, India's GDP per capita will quadruple, and the same will surpass the GDP of the United States of America before 2050." The country managed a reasonable economic growth of 6.1 percent during the first quarter of the current fiscal

(2010) despite the global financial crisis. India's annual GDP growth is likely to accelerate to 7.2 percent in the next fiscal and further until reaching a pace of about 9 percent in the year 2012-2013.

Foreign Investment in India

Foreign investment in Indian is primarily covered under the Foreign Exchange Management Act, 1999 (FEMA) the Regulations/Notifications made there under from time to time. All Regulations under FEMA are issued by the country's Central Bank, the Reserve Bank of India (RBI). Foreign Direct Investment (FDI) Policy issued by the Government of India is covered in FEMA. The FDI Policy is periodically reviewed and modified. Changes in sectoral policy/sectoral equity cap are notified through Press Notes by the Secretariat for Industrial Assistance (SIA), Department of Industrial Policy & Promotion (DIPP), Ministry of Commerce and Industry.

The foreign companies are allowed to set up Liason Offices/Branch Offices for the purpose of representing the parent company or other foreign companies in

India, conducting research, undertaking export and import trading activities and for liaison work.

The current foreign investment guidelines allow foreign investment to be made freely in most of the sectors, including the services sector, except the activities that require an Industrial License, Proposals in which the foreign collaborator has an existing venture/tie up in India in the same field, where the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 gets attracted and Proposals falling outside notified sectoral policy/caps or under sectors in which FDI is not permitted which require specific approval of the Foreign Investment Promotion Board (FIPB), Department of Economic Affairs, Ministry of Finance, Government of India:

Two Major Routes

Therefore, there are two broad areas of foreign investment regulatory policy, i.e. sectors where foreign investment is allowed freely and on an automatic basis (Automatic Route) and sectors where prior approval of the Government of India is required

(FIPB Route). These are discussed below in detail.

Foreign Direct Investment (FDI) is allowed in most of the sectors other than certain specified sectors, subject to specified ceilings in foreign investment in certain specified sectors. These ceilings on foreign investment in specified sectors are detailed in the sectoral cap policy. Where no sectoral caps are prescribed, foreign investment under the Automatic Route is available even for proposals for foreign investment upto 100 percent of the capital. FDI in sectors/activities under the 'Automatic Route' does not require any prior approval of the Government of India (FIPB) or the Reserve Bank of India (RBI). However, the Indian company in which such foreign investment is made is required to notify the RBI.

For proposals not falling under the Automatic Route, specific and prior approval of the Government of India would be required. Government approvals are accorded on the recommendations of the Foreign Investment Promotion Board (FIPB), Department of Economic Affairs, Ministry of Finance with the Union Finance Secretary, Commerce Secretary and other key secretaries of the Government as its members.

The FIPB, while according its approval, will keep sectoral caps, if any, in mind. These sectoral guidelines are meant to assist the FIPB to consider proposals in an objective and transparent manner. However, these would not in any way restrict the flexibility or bind the FIPB from considering the proposals in their totality or making recommendations based on other criteria or special circumstances or features it considers relevant. Besides these are meant to be in the nature of administrative guidelines and would not in any way be legally binding in respect of any recommendation to be made by the FIPB or decisions to be taken by the Government in cases involving FDI.

For investment proposals covered by the Automatic Route, the RBI has issued general permission to companies to issue shares to the foreign investor, without any prior approvals. By Notification No: GSR29(E) issued by the Board of Economic Affairs, Ministry of Finance, the words "non-convertible debentures/bonds" in Schedule 5, in paragraph 1 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (Notification No. FEMA 20/2000-RB, dated May 3, 2000) have been substituted by the words

"listed non-convertible debentures/bonds, commercial papers".

Official Procedure

For investment proposals covered under the FIPB Route, upon receipt of the FIPB approval, the foreign investor may acquire the shares in the Indian company. In both the above instances, the Indian company issuing the shares is required to file a declaration in prescribed form together with prescribed documents, with the concerned Regional office of RBI under whose jurisdiction its registered office is situated, within 30 days from the date of issue of shares to the foreign investor. A person resident outside India can purchase equity shares/compulsorily convertible preference shares and compulsorily convertible debentures (equity instruments) issued by an Indian company under the FDI policy and the Indian company is allowed to receive the amount of consideration in advance towards issue of such equity instruments, subject to certain terms and conditions. The RBI vide circular no. 20 dated 14 December 2007 has notified that, with effect from 29 November 2007, the equity instruments should be issued within 180 days of the receipt of the inward remittance.



Indian companies are also allowed to engage services of foreign nationals on a long-term basis and foreign nationals are permitted to make recurring remittances for family maintenance, subject to limits specified from time to time



The profits earned in India by companies are permitted freely by way of dividends, subject to applicable Indian Income Tax. Remittance of profits earned in India by branches of foreign companies to their head office outside India is subject to prior approval of RBI.

Technology Transfer

Under the current FDI regime there is no requirement of obtaining the approval of the Government of India or the RBI and registering the Foreign Technology License Agreements with the RBI, if the terms of such Foreign Technology License Agreement fall under the automatic route i.e. royalty does not exceed 5 percent on domestic sales and 8 percent on exports and lump sum payment does not exceed US\$2 million. The royalties can be paid without any limit in time and can also be paid by a wholly owned subsidiary to its parent company.

The royalty is payable on the value added portion only and is calculated on the basis of the net ex-factory sale price of the product, exclusive of excise duties, minus the cost of standard bought-out components and the landed cost of imported components, irrespective of the source of procurement, including ocean freight, insurance, custom duties, etc.

Any proposal not covered by the aforesaid parameters would require a specific approval from the Government of India. This approval is accorded by the Secretariat for Industrial Approvals (SIA).

Use of Foreign Brand Names

Use of foreign brand names/trademarks on goods for sale (whether imported or locally manufactured) within India is freely allowed. Payment of royalty up to 2 percent on exports and 1 percent on domestic sales is allowed under the Automatic Route, without any approval from the Government of India or the RBI, for use of trademarks and brand name of the foreign collaborator without technology transfer. Royalty on the trademark/brand name shall be paid as a percentage of the net sales, viz. gross sales less agents'/dealers' commission, transport cost, including ocean freight, insurance, duties, taxes and other charges and cost of raw materials, parts and components imported from the foreign licensor or its subsidiary/affiliated company. Please note that in case of a technology licensing arrangement (as discussed earlier in this note), payment of royalty for technology license includes the payment of royalty for use of trademark/brand name of the foreign collaborator.

Employment Law in India

The object of the employment laws in India is social welfare legislation protecting the employees, protecting their contentment and regulates situation of crisis. India adopted the core labour standards of ILO for welfare of workers and protection of their interests. India has enacted a number of labour laws addressing various issues such as resolution of industrial disputes, working conditions, labour compensation, insurance, child labour,

equal remuneration etc. Labour is a subject in the concurrent list of the Indian Constitution and is therefore in the jurisdiction of both central and state governments. Both central and state governments have enacted laws on labour issues. Central laws grant powers to officers under central government in some cases and to the officers of the state governments in some cases. The labour laws cast upon the employer certain obligations for meticulous, impeccable and timely compliance. A minor violation or an inadvertent delay in complying with the statutory requirements can not only result in levy of damages but also prosecutions that too, of the top executives.

Employment of Foreign Nationals

Indian companies are also allowed to engage services of foreign nationals on a long-term basis and foreign nationals are permitted to make recurring remittances for family maintenance, subject to limits specified from time to time. There is no restriction on the appointment of foreign nationals as directors of Indian companies.

Public Liability Insurance

The Public Liability Insurance Act, 1991 and the Rules, 1991 is an Act to provide for public liability insurance for the purpose of providing immediate relief to the persons affected by accident occurring while handling any hazardous substance and for matters connected therewith. Section 3 provides that the owner shall be liable to give such relief

as specified in the Schedule, where death or injury is caused to a person (other than a workman) or damage to any property has resulted from an accident. For this purpose, before the owner starts handling any hazardous substance, he shall take out policies of insurance to insure against his liability. Such policy shall not be for an amount less than the paid up share capital of the company and shall not exceed such amount as may be prescribed. The liability of owner under one insurance policy shall not exceed the amount specified in the terms of the contract of insurance in that insurance policy.

TAX ISSUES IN INDIA FROM AN INTERNATIONAL PERSPECTIVE

Transfer Pricing

The globalisation of the Indian economy and increasing cross-border investment have led to most large and mid-size business enterprises being subject to transfer pricing (TP) regulations in India. The tax authorities have typically been adopting aggressive stands in respect of mark ups especially with respect to captive units in India.

Concern with respect to exposure under TP regulations in India has been growing considerably. To avoid the pitfalls that differing interpretations may cause, most developed countries have introduced an Advance Pricing Agreement (APA). Such a mechanism can mitigate disputes and uncertainty in relation to transactions between associated enterprises.

However under the new proposed tax regime, the introduction of APAs along with safe harbour provisions in India would certainly allow taxpayers

to obtain the regulator's nod vis-a-vis the proposed pricing of international transactions and would also mitigate the risk of double taxation in certain circumstances. This would lead to a greater degree of comfort and reduce litigation to a considerable extent.

The word Business connection under the Indian tax laws has very wide import as such it is not defined in the Act. Recent Vodafone controversy is an example of this. To mitigate the risk it is highly recommended to have Advance Ruling before entering into any transaction. Even the liaison office has not been spared in controversy wherein liaison office if found to be doing business is Permanent Establishment if LO exceeds its authority under the Act. There is thus lot of uncertainty around the taxability of liaison office.

The globalisation of the Indian economy and increasing cross-border investment have led to most large and mid-size business enterprises being subject to transfer pricing (TP) regulations in India

Royalty/Fee for technical services (FTS)/Business Income

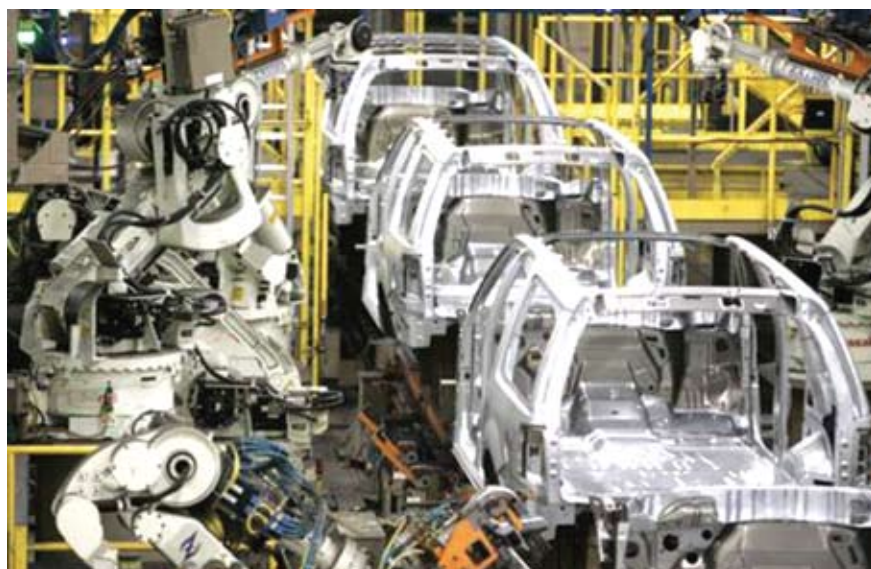
Sometimes there are disputes with Income Tax Authorities relating to nature of Income in case of Fees for Technical services and royalty income. At times income may be categorized as both Royalty income and FTS, which may always be treated as business income depending upon the facts and circumstances of the cases, usually if the business establishment has fixed place of business in India, this may lead to profits attributable in India being taxed in India as business income. Attribution of income is again a contentious issue in the absence of any specific guidelines to this effect

Thin Capitalization Norms

A company is thinly capitalised when its capital is made up of a greater proportion of debt than equity which effectively implies that its gearing is too high. This typically is of interest to the revenue authorities, who are concerned with abuse by way of excessive interest deductions. At present, India does not have specific thin capitalisation guidelines and that interest is typically tax deductible if it is incurred for the purposes of business. However, though not formalised in tax law per se, the limits on the quantum of permissible debt envisaged under foreign exchange guidelines act as an alternative mechanism to counter tax abuse to a certain extent. It would be ideal if clear rules are brought in with respect to thin capitalisation norms that are understandable to both the taxpayer and tax authorities.

General Anti Avoidance Rules (GAAR)

In recently announced Direct Tax Code, GAAR have been introduced, as a result any arrangement entered into by a person may be declared as an impermissible avoidance arrangement and the consequences, of the arrangement may be determined by disregarding, in part or whole of, the impermissible avoidance arrangement by treating the impermissible avoidance arrangement as if it had not been entered into or carried out for the prevention or diminution of the relevant tax benefit. Guidelines in relation to these GAAR provisions will also be prescribed.



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New Sunrise Sector with Multiple End Users

Biotecnology has been recognised the world over as the technology of the future. India has addressed this segment by leveraging its cost-effective scientific skill base to build its strong capabilities. Today, the Indian biotech sector has attained critical mass in manufacturing and research to build a market for biotech products and services Estimated at US\$5 billion, the bio-tech industry is expected to assume the size of US\$15 billion by 2015.

The Indian biotechnology sector is one of the fastest growing knowledge-based sectors in India. With advantages in research and development (R&D) facilities, knowledge, skills, cost effectiveness, India's biotechnology industry is going places. The sector has a central position for solutions in food security, medicine, vaccines, energy, and conservation. The increasing demand for food from the ever expanding population and a shrinking agricultural land base has raised the strategic importance of bio-technology.

Bright Prospects

In recent times, riding on the global recovery, India's biotech industry registered high growth in fiscal 2009-10 with post revenues of US\$4 billion (Rs. 18,500 crore, a whopping 52 percent over the previous fiscal. The global economic crisis had cast its shadow on the sector in the previous year. Bangalore India's biotech hub, accounted for 27 percent or US\$810 million and exports contributed US\$750 million. Of the 380 biotech firms across India, 198 are located in Karnataka and 191 in Bangalore owing to rich human capital and cost advantage over peers overseas. According to Kiran Majumdar Shaw, a leading entrepreneur who heads Biocon, "New challenges such as global warming, energy, health and food security offer huge opportunities for the biotech industry".

Policy

India's National Biotechnology Development Strategy (NDBS) was a strong recognition of the importance of technology transfer and IP,



building on the door opened by the milestone Patent Act of 2005. Over all the sector can be classified into five segments--Biopharma, Agri-biotech, Bioinformatics, Bio industrial and Bio services. Bio Pharma deals with the production of vaccines, therapeutics and diagnostics. The end products of the biotech industry find two different kinds of buyers, the first covers private hospitals, governments; patients and the second type include industries like pharmaceuticals.

At present there are more than 350 biotech companies in India. Most of the companies are located in the six major cities of Delhi, Mumbai, Pune, Chennai, Bangalore, Hyderabad and Ahmedabad

Agri-biotech deals with hybrid seeds and transgenic crops, bio-pesticides and bio-fertilizers. Bio informatics deals with creation and maintenance of extensive electronic databases on various biological systems. Bio-services market deals with clinical trial, contract research and manufacturing activities.

Bio-industry deals with enzyme manufacturing and marketing companies and these enzymes are used in detergent, textile, food, leather, paper and pharmaceutical industry. At present there are more than 350 biotech companies in India. Most of the companies are located in the six major cities of Delhi, Mumbai, Pune, Chennai, Bangalore, Hyderabad and Ahmedabad. The leading companies in India are Biocon, Serum Institute of India (in the biopharma space), MahycoMonsanto, Rasi seeds (in the agri-bio tech field), Strand Genomics, GVK Biosciences (in the bioinformatics arena), Syngene and Quintiles in bio services.

Growth

The Bio-agriculture, Bio-industrials and Bio-informatics sectors are focussed on domestic operations and bring in

nearly 90 percent of their revenues from India. According to a joint study by an industry body and Ernst and Young (E&Y), the industry-sponsored Phase II, Phase III clinical trial sites in India have grown by 116 percent during June 2008 and August 2009, and India is moving from rank 18 to 12 across the 60 most active countries.

Strategy

India launched its National Biotechnology Development strategy focusing on the sector's potential to provide long-term benefits for agriculture, health and the environment. The strategy includes a target for the biotechnology industry to generate US\$7 billion by 2012 and revamping of biotechnology education programmes to create global centres of educational and research excellence in India. To achieve this target, funds for biotechnology have been increased five-fold from US\$362 million to US\$1.6 billion by 2012. The strategy reserves up to 30 percent of Department of Biotechnology's (DBT) budget for public-private partnerships and a biotechnology industry partnership programme for advanced technologies.

To improve biotechnology education highly-reputed colleges in 20 universities have been identified and support extended to them through teacher training programmes. Existing university science departments will be upgraded, and departments working on different disciplines will be streamlined to create globally competitive centres of education and research.

The availability of a vast pool of English speaking science graduates,



good regulatory processes and cost advantages have positioned India as a favourable investment destination by way of globalisation, mergers and acquisition and alliances. Indian companies are also expanding overseas. The acquisition of 70 percent stake of the German pharma company AxiCorp by Indian major Biocon is a case in point.

Major Investments

Investments, along with outsourcing activities and exports, are key drivers for growth in the biotech sector. According to the data released by the Department of Industrial Policy and Promotion (DIPP), the drugs and pharmaceuticals sector has attracted foreign direct investment (FDI) worth US\$1.67 billion between April 2000 and March 2010. Some of the major

investments in the sector are as follows:

Panacea Biotec Ltd has bagged a three-year contract worth over US\$222.37 million from UNICEF to provide the agency with EasyFive vaccine, a protection against a set of pediatric diseases for 2010, 2011 and 2012.

Alexandria Real Estate, the US\$5.2 billion US-based company which provides solutions to life science industry, has decided to set up a biotech research and development (R&D) and incubation facility in Gujarat. It plans to spend around US\$107 million for the project.

The Defence Research and Development Organisation (DRDO), which caters primarily to the armed forces, plans to spend US\$63.5 million to upgrade and custom-make its existing line of biotech products for civilian use.

Regulatory Body

Meanwhile, a Biotechnology Regulatory Authority to modulate the research, import, manufacture and use of organisms and biotechnology products is taking shape. Minister of Science, Prithviraj Chavan told the Parliament that BRAI will be an autonomous and statutory agency to regulate various facets of modern biotechnology. India is also introducing a cost-sharing scheme to allow the industry to retain intellectual property.

A UNESCO regional centre for Biotechnology will be set up at Faridabad, near Delhi. The centre will provide global standard, industry-oriented training for physicians, biologists and engineers.

Biocon Bangalore



INFORMATION TECHNOLOGY

Software Exports Set to Increase

Information Technology (IT) is India's flagship industry is playing a key role in putting India on the global map. Categorised into IT services and software, ITES-BPO, and hardware segment, the IT sector is dominated by IT software and services such as Custom Application Development and Maintenance (CADM), System Integration, IT Consulting, Application Management, Infrastructure Management Services, Software testing, Service-oriented architecture and Web services.

India's IT services industry generates 70 percent of its revenue from the United States and accounts for 5 percent of India's economy. U.S. blue chips from Intel and Google to Cisco and Microsoft have substantial operations in India, which is increasingly a research hub for Silicon Valley. Outsourcing work to a lower-cost U.S. site can save roughly 20-25 percent, while moving work to India saves 70 to 80 percent.

The National Association of Software and Service Companies (NASSCOM)--the apex body for software services in India in its 'Strategic Review 2010' published in February 2010, observed that India IT-BPO industry will have aggregate revenues of US\$73.1 billion in FY 2010, with the IT software and services industry accounting for US\$63.7 billion of revenue.

According to a study by Springboard Research published in February 2010, the Indian information technology (IT) market is expected to grow at around 15.5 percent in 2010, on the back of growing investor confidence and favourable initiatives taken by the government.

It is predicted that the global economy will limp back to normalcy in 2010 and IT will play an important role in the recovery. Further, the research firm, IDC also forecasted that global IT spending will grow about 3.2 percent in

2010, resuming to 2008 levels of some US\$1.5 trillion.

Growth Forecasts

According to NASSCOM president Som Mittal, "To face the effects of slow down, IT companies have to develop new business models to grow in the present competitive market". For example, Wipro has adopted cloud computing, green and collaboration technologies and seen new business coming via new adoption. Further, Indian IT companies are also eyeing more business from alternative markets like the Indian and Middle East regions.

RBI, Finance Ministry and other industrial experts believe that India's IT sector, which remains somewhat unaffected from the global wave of recession will have 'business as usual' mood in 2010. The US and European markets account for about 80 percent of Indian software exports, and still



have not shown signs of drastic recovery in demand for outsourcing. The government expects the IT export turnover to touch US\$80 billion by 2011, at the rate of 30 percent per annum.

India's domestic market has also become a force to reckon with, as the existing IT infrastructure evolves both in terms of technology and depth of penetration. India Inc's demand for IT services and products has bolstered growth in the domestic sector with deal sizes going up remarkably and contracts worth US\$50 million-US\$100 million up for grabs. The market for enterprise networking equipment in India is estimated to grow from US\$1 billion in 2008 to US\$1.7 billion by 2012, recording a compounded annual growth rate (CAGR) of 15 percent during this period, according to a study by Springboard Research.

According to NASSCOM's Strategic Review 2010, the domestic IT-BPO revenues are expected to grow at almost 8.5 percent to reach US\$42.3 billion in FY 2010. Moreover, according to market intelligence firm IDC India's 'Domestic ICT Market top 10 Predictions 2010' report released in January 2010, the combined India domestic IT-ITeS market will grow 15 percent in 2010 to achieve revenues of US\$26.4 billion compared to US\$23 billion in 2009.

Outsourcing

According to global management consultancy AT Kearney, India continues to be the most preferred destination for companies looking to offshore their IT and back-office functions. It also retains its low-cost advantage and is among the most financially attractive locations when viewed in combination with the business environment it offers and the availability of skilled people.

A research by Gartner forecasts India as the undisputed leader in the outsourcing space. India's most prized resource is its readily available technical work force and the second largest English-speaking scientific professionals in the world, which is, second only to the US. It is estimated that India has over 4 million technical workers, over 1,832 educational institutions and polytechnics, which train more than 67,785 computer software professionals every year. The enormous base of skilled manpower continues to be a major draw for global customers.

Incentives

Software Technology Parks of India (STPIs) set up in 1991 laid the basis



for IT revolution in software exports. There are currently 51 STPI centres that enjoy exemption from customs duty for capital goods, exemptions from service tax, excise duty, and rebate for payment of Central Sales Tax. But the most important incentive available is 100 percent exemption from Income Tax on export profits, which has been extended till 31st March 2011.

The Government is also setting up Information Technology Investment Regions (ITIRs) endowed with excellent infrastructure with benefits of co-existing, networking and greater efficiency through use of common infrastructure and support services. According to NASSCOM estimates the Government's IT spend was US\$3.2 billion in 2009 and will reach US\$5.4 billion by 2011. In the domestic market, there is US\$9 billion business opportunity in e-governance in India.

The Indian information technology sector continues to be one of the sunshine sectors of the Indian economy showing rapid growth and promise. According to a report prepared by McKinsey for NASSCOM called 'Perspective 2020: Transform Business, Transform India' the exports component of the Indian industry is expected to reach US\$175 billion in revenue by 2020. The domestic component will contribute US\$50 billion that time. Together, the export and domestic markets are likely to bring in US\$225 billion in revenue, as new opportunities emerge in areas such as public sector and healthcare and as geographies including Brazil,

Russia, China and Japan opt for greater outsourcing.

Key Services

A study by Springboard Research reveals that the Indian IT services market will remain the fastest growing segment in the Asia-Pacific region with a CAGR of 18.6 percent. ITeS, which started with basic data entry tasks over a decade ago, is witnessing an expansion in its scope of services to include increasingly complex processes involving rule-based decision making and even research services requiring informed individual judgment. It now offers services such as knowledge process outsourcing (KPO), legal process outsourcing (LPO), games process outsourcing (GPO) and design outsourcing among others.

Outlook

The Indian information technology sector continues to be one of the sunshine sectors of the Indian economy showing rapid growth and promise. According to a report prepared by McKinsey for NASSCOM called 'Perspective 2020: Transform Business, Transform India' released in May 2009, the exports component of the Indian industry is expected to reach US\$175 billion in revenue by 2020. The domestic component will contribute US\$50 billion in revenue by 2020. Together, the export and domestic markets are likely to bring in US\$225 billion in revenue, as new opportunities emerge in areas such as public sector and healthcare and as geographies including Brazil, Russia, China and Japan opt for greater outsourcing.



PHARMACEUTICALS

MNCs Eyeing Generic Segment thru Acquisitions

India's booming pharmaceutical market has varied components—domestic and export market; branded and generics drugs; formulations and bulk drugs besides acute and chronic segments. India exports generic medicines worth US\$11 billion and is one of the largest and most developed in the world. According to Angel Broking's October 2009, by year 2015, India will rank among the top 10 global pharmaceutical markets in the world.

Growth

A study by Ernst & Young notes that increasing population of the higher-income group in India will, by 2015, open a potential US\$8 billion market for multinational companies for selling costly drugs. The domestic pharma market is likely to touch US\$20 billion by 2015 to make India a lucrative destination for clinical trials for global giants.

According to the latest research published by RNCOS, titled 'Indian Diagnostic Market Analysis' in January 2010, the Indian diagnostic services will grow at a CAGR of more than 20 percent during 2010-2012. Says Hari Bhatia, Co-Chairman & Managing Director, Jubilant Organosys, "Contract research and manufacturing (CRAM) sector in pharma is growing at 15 percent to 20 percent".

MNC Interest

The growth in Indian pharma sector has attracted International players to try their hand in mergers and acquisitions. Akin to the a replay of the 1970s when MNCs ruled the roost in the domestic market, many foreign drug makers are making a beeline to court India's leading pharma companies. In the last couple of years, the pharma sector saw a number of acquisitions by multinationals. In 2008, two Indian pharmaceutical majors were acquired from abroad - Ranbaxy

by the Japanese firm Daichii and Dabur Pharma by Singapore's Fresenius Kabi. The buyouts, seeded many gains for these companies, notably a market share that soared to 25 percent from 15 percent. Analysts expect that pharma MNCs will maintain this acquisition spree and soon control 50 percent of the US\$9.5 billion domestic retail drug market.

In 2010 US Pharma major Abbot Laboratories took over Indian based company Piramal Health Care in a staggering US\$3.7 billion deal. The move helped Abbot to get at least 7 percent of India's 55,000 crore drug market business. The acquisition was the second largest takeover in India's healthcare industry.

Says PWC India Pharma head Sujay Shetty, "Today, three of the country's top five drug firms are foreign MNCs" adding that there were hardly one or two MNCs in the top 10 in 2007.



Strategic Value

From the point of view of pharma MNCs, a presence in India provides a diverse strategic value and an easy entry to lucrative emerging markets. While Daiichi Sankyo gained access to 54 countries and broke into generics through its Ranbaxy buyout, Abbott is due for bumped-up sales from India and other emerging markets.

Likewise, France's Sanofi Aventis gained new products and a flourishing research pipeline by buying Hyderabad-based Shantha Biotech. The search for innovative drug molecules and better technologies by pharmaceutical MNCs is expected to offer a windfall for the smaller research-oriented Indian firms.

With drug pipelines drying up and more blockbuster drugs going off-patent, MNCs are looking for alliances to do drug co-development, buying or licensing out innovative molecules which can further be developed into finished drugs.

Revival

In 1971 Indira Gandhi led government adopted a process patent regime and that changed the fortunes of the struggling domestic companies allowed Indian companies to sell generic drugs by tweaking the original process and launch an array of products.

In the late 1990s and the new

millennium, a string of Indian firms led by Ranbaxy, Dr Reddy's Laboratories and Sun Pharma snapped up companies globally to strengthen their presence in the markets of US and Europe.

Foreign players were pushed into a corner with their market share shrinking to 14-15 percent in 2007. Now the global MNCs faced with shrinking revenues and the prospect of losses as patents of drugs worth US\$70 billion expires by 2013 are shoring up their presence in generics – a segment they shunned a few years ago. Now with a series of buyouts by companies such as Daiichi Sankyo (Ranbaxy), Abbot (Piramal Healthacre), Sanofi Aventis (Shantha Biotech) and Fresenius Kabi (Dabur Pharma), the foreign players are on the offensive and Indian pharma players are on the defensive.

India's pharma market, including exports and institutional sales, is valued at Rs 1,00,000 crore (US\$25 bn). India's Rs 42,000 crore (US\$8.9 bn) drug retail market is growing annually at 17 percent as per market research firm ORG IMS. Overseas players have aggressive organic plans. Post-integration their organic growth coupled with the launch of patented products is expected to vault their market share to 50 percent by 2015.

Emerging markets like India with an annual growth of more than 15 percent are seen as the main drivers of the

Indian Pharma Industry's Strengths

- **Investment in Technology:** Owing to the availability of advanced technology at low costs, the companies can produce drugs at lower costs.
- **Cost Effective:** The filing cost of ANDAS and DMFs is comparatively low for the Indian companies.
- **Manpower:** There is a large pool of technical experts available at modest salaries.
- **Contract Manufacturing:** There is a good scope for contract research and contract manufacturing.
- **Infrastructure:** There is a well-developed infrastructure for the pharmaceutical industry.
- **Generic Drugs:** In the last few years, the generic drug-manufacturing segment received huge investments, in the process making it more competitive and efficient.

global US\$837 billion market, projected to grow between 4-6 percent a year. India had adopted a new patent regime in 2005, giving patent owners rights to 20 years of exclusive marketing.

SHIPPING SECTOR IN INDIA

Poised for Higher Growth

Shipping plays an important role in the transport sector of India's economy. Approximately, 90 percent of India's trade by volume (70% in terms of value) is moved by sea.

Maritime Sector

Indian maritime sector facilitates not only transportation of national and international cargo but also provides a variety of other services such as cargo handling services, shipbuilding and ship repairing, freight forwarding, lighthouse facilities and training of marine personnel etc. The salient features of India's shipping policy are the promotion of national shipping to increase self-reliance in the carriage of the country's overseas trade and protection of stakeholders' interest in foreign trade. India's national flag-ships provide an essential means of transport for crude oil and petroleum product imports. National shipping makes significant contribution to the foreign exchange earnings of the country.

Indian shipping tonnage, which was a mere 1.92 lakh GT during independence (1947), now stands at 10-million since January 2010, on the back of numerous acquisitions that were made by the national carriers. In the last two years as many as 63 ships were added to the nation's fleet, which pulled up India's shipping tonnage by 1 million GT. The Shipping Corporation of India Ltd's is planning to add seven more

vessels to its existing fleet in order to expand its capacity and take the expanding tonnage to an altogether new dimension.

Fleet

India has the largest merchant shipping fleet among the developing countries and ranks 20th amongst the countries with the largest cargo carrying fleet with 8.83 million GT as on 01.06.2008 and the average of the fleet is 18 years. The Department of Shipping enjoys the mandate to formulate policies and programmes on shipping and ports including shipbuilding and ship-repair, major ports, national waterways, and inland water transport. The coastline of India is dotted with 12 Major Ports and about 200 non-major ports. The major ports are under the control of the centre while the non-major Ports are under the jurisdiction of the respective state governments. The 12 Major Ports (including the Port of Ennore which is a corporate port set up under the Indian Companies Act, 1956) are evenly spread out on the Eastern and Western coast. The ports of Kolkata, Paradip, Visakhapatnam, Chennai, Ennore and Tuticorin are on the Eastern coast of India while the ports of Cochin, New Mangalore, Mormugao, Mumbai, Jawaharlal Nehru at Jhavasheva and Kandla are on the Western Coast.

According to the Union Shipping Ministry, as many as 1,029 ships

with about 10.10 million GT had been registered in the country till the beginning of September 2010. A major chunk of as many as 693 vessels approximately accounting for 1 million GT are engaged in coastal trade operations, while the remaining 336 ships cater to overseas trade routes.

Total Cargo

The total cargo handled in the Indian ports by both the 12 major ports and the non-major ports, during 2009 was 740 million tonnes. The private public partnership model being followed by the government for development of various ports has started yielding results with more and more competitive bidding being done.

Giving a perspective of the ship-owners stake in the growth of the sector, Anil Devli, CEO, Indian National Shipowners Association said: "A major part of the nation's cargo is still not borne by Indian ships. Indian companies can derive a more conducive climate with a wider margin of tax incentives and cargo reservation for national vessels. That will attract domestic companies to the shipping industry. Presently, India commands a meagre 1 percent share in the global fleet". As of now, the 10-million mark in terms of GT achieved by the Indian shipping industry can be a threshold for their future success in terms of recording greater cargo handling capacity.





Coastal Shipping

Coastal shipping is a very economical mode of transport in the Indian transport network and a crucial component for the development of domestic industry and trade. India, with her 7,517 km long coastline and 13 major ports and 200 non-major ports provides congenial and favourable conditions for the development of this alternate mode of transport. The Coastal Shipping Tonnage as on 1st June 2008 was 590 vessels with 947734 GRT and 991378 DWT. There is an action plan by

the government of India for aggressive development of coastal shipping. To promote coastal shipping and sailing vessel industry, the home trade vessels and sailing vessels have been exempted from the payment of lighthouse dues under the provisions of the Lighthouse Act, 1927.

The Tata Consultancy Services (TCS) has conducted a study to assess the potential of coastal shipping and role of minor ports to keep the feasibility of routes and supporting environment. Efforts are also being made to develop

minor ports to promote coastal shipping. India has also made rapid growth in aids to Marine Navigation. From 17 Lighthouses prior to Independence, the present strength of aids to Navigation consists of 171 Lighthouses, one Lightship, one Loran-C Chain Stations, 59 Racons, 21 Deep Sea Lighted Buoys 01 wreck making and 22 installations under Differential Global Positioning System (DGPS).

Shipbuilding

India's ship-building industry currently accounts for about one percent of the global ship-building market and the target is to raise that share to 5 percent by 2017. Stating this, India's Shipping Minister G K Vasani said, "Ship building in the country has a high growth potential owing to certain inherent strengths like low labour costs, strong domestic demand, a well established steel and manufacturing industry and technically qualified manpower". Speaking at the international maritime technology conference recently, he said, "there are tremendous opportunities in the port and maritime sector for investments given India's robust economic growth and ever-increasing demand for energy," adding that energy demand supply gap and low per capita steel consumption will cause India to depend on the import of thermal and coking coal to meet its energy and steel needs.



SCOPE FOR GROWTH LOW PER CAPITA CONSUMPTION

Wines: According to estimates of the Grape Board, by the year 2020, "India has the potential to become a world player in wine. Undoubtedly, many Indian wines are of great quality. One of the problems is that the Indian consumer, who generally loves red wine, is not educated enough about wines and many producers are able to draw him in more by way of high-end packaging than of the quality of the liquid itself."

At the moment India produces only 8.35 million bottles per year. There is a huge potential in Indian market itself. For export market, the increasing popularity of Indian cuisine is an automatic opening. With more and more professionals visiting India on regular basis, and the fact that Indian wine exports are going up every year, word is getting spread very fast creating awareness of Indian wines in International market.

The Indian wine market is expected to grow to 9 million litres by 2011. Per capita consumption of wine remains extremely low in India; however, there is growing consumer interest in wine with a number of wine clubs opening in Delhi, Chandigarh, Hyderabad and Bangalore. Nearly 80 percent of wine sales are accounted for by the major cities, especially New Delhi, Mumbai, Chennai, Kolkata, Pune and Bangalore.

Pricing and lack of quality awareness have damaged the wine market. Even reputed wineries are selling overpriced wine. Wines sold in the market range anywhere from Rs 300 (US\$6.65) per bottle at the lower end to Rs 1,500 (US\$31) in the premium segment of imported wines. Currently, annual grape production in India is estimated to be 1.8 million metric tonnes from an area under cultivation of about 80,000 hectares. The states of Maharashtra, Karnataka and Andhra Pradesh



contribute 93 percent of the total grape production in the country.

Demand

It is expected that wine production may increase to 4 million cases by 2015. As far as the consumption patterns are concerned, per capita annual consumption in India is a paltry 9ml of wine, compared to 9,000 ml consumed in the US. Factors which have negatively affected the business are the multiplicity of authorities, the absence of uniform excise procedures and taxation structures and the absence of standards, as was pointed out by representatives of wine producers at the conference.

The Grape Processing Board has outlined measures for standardisation of wine labels and registration process, evolving a uniform tax structure and positioning wine separately from hard liquor. It also sees the need for a financing mechanism for the wine industry, keeping in view the concerns of wine grape growers and wine processors.

The wine market is growing at 25-

30 percent a year, nearly three times as fast as beer, whisky or rum, which together makes up 45 percent of the total. Exports currently make up about 10-15 percent of total output. Seeing the rapid growth in this sector India has to make the environment adaptable for the foreign players to venture Indian markets and Indian companies to gain maximum advantage of the situation.

Brown Liquor

Alcoholic beverages sector in India is worth US\$21.7 billion with a compound annual growth rate (CAGR) of about 15 percent. According to market research group Data Monitor "Spirits was the key market driving growth within the alcoholic beverages sector. All the markets in the alcoholic beverages sector are highly consolidated with the top two players controlling in excess of half of the market. Sectoral growth is driven by demographic factors such as increasing population, rising disposable income, greater social freedom and globalization".

The domestic liquor manufacturing is a 'regulated' industry where movement,

prices of intermediate goods (molasses, alcohol) is tightly controlled by state governments who exert considerable influence. It is a developed (US\$1907 million) industry in India. Major players in the alcoholic beverages market are United Breweries (UB) Group (Bangalore), Shaw Wallace (Kolkata), Jagajit Industries (Kapurthala, Punjab), Mohan Meakins (Solan, Himachal Pradesh), Associated Breweries and Distilleries (Mumbai).

Beer

Per capita beer consumption in India is 0.5 litres; 20 litres in China; 100 litres each in USA and Germany. The Beer market is 70 million cases market and growing 10-12 percent per annum. Around 40 units are in organised sector, mostly regional players; 4 large breweries have 84 percent of the market. Major beer brands (manufacturers) are - King Fisher; Kalyani Black Label (UB Group); Golden Eagle (Mohan Meakins), Haywards (Shaw Wallace) and London Pilsner (Associated Breweries and Distilleries)

The Foreign brands are Stroh's and Fosters.

TELECOM EQUIPMENT



Space for More Players and Capacity Addition

India's telecom equipment market posted a growth of 18.6 percent in last (2009-10) fiscal. According to a survey by Voice & Data magazine, the overall telecom equipment revenue in India stood at US\$28.8 billion during the last fiscal.

The outlook on Telecom equipment will continue to be robust in the wake of roll-out of 3G and broadband wireless services. The domestic demand for telecom equipments has crossed over trillion Rupees thanks to the growth in the wireless services market though domestic production of equipments is not keeping pace with this growth in demand.

The leading players in India, include Finnish mobile phone and equipment maker Nokia, China's Huawei, Sweden's Ericsson. Among the Top10 players are government owned ITI and private player Tech Mahindra.

Main Segments

Among the segments, the carrier equipment industry showed a steady 21 percent growth, driven by high growth of wireless infrastructure, WiMax, transmission and broadband infrastructure. Wireless infrastructure grew 26 percent; Enterprise equipment segment grew by 31 percent; the Switch and Router segments showed 92 percent and 65 percent growth respectively.

According to industry observers, "India carries a conducive climate to harness a competitive telecom equipment industry-- a large domestic market, strong software capability, which is the main differentiator in telecom and networking equipment manufacturing, a vibrant stock market and a maturing venture capital industry".

Nevertheless, despite the mobile operators and handset manufacturers,

India still has not optimised its inherent advantages in telecom equipment manufacturing. According to Sanjay Nayak, MD, Tejas Network: "India imports US\$20 billion worth of telecom equipment every year which amounts to 15 percent of the trade deficit and telecom equipment accounts for the second highest outflow of foreign exchange after petroleum".

Scope in Manufacturing

The manufacturing of telecom equipment has not gained traction in the desired scale. "Often the manufacturers import components, assemble in their factories and ship them out," Nayak said. As a signatory of the WTO agreement India allows import of telecom equipment with zero duty. So, there was no motivation to manufacture locally as it is easier to import equipment, Nayak adds.



The Telecom equipment manufacturers wanted the government to apply stringent certification standards for import of telecom products

The industry players also want the government to reimburse the R&D costs to domestic telecom firms. Vihaan Networks, another telecom equipment manufacturer is of the view that special incentives and tax concessions can go a long way in promoting telecom products. An income tax holiday for 10 years will be ideal and excise duties for manufacturing within should be reimbursed. Equipment producers have also urged the government to encourage the research and development and offer soft loans and grants for these purposes.

Import Norms

The Telecom equipment manufacturers wanted the government to apply stringent certification standards for import of telecom products. The import bill of the telecom sector is over Rs 30,000 crore (US\$6.65 billion), while indigenous manufacturing is in order of Rs 900 crore (US\$190 million), Telecom Equipment Manufacturers' Association (TEMA) said.

"There is an urgent need to apply stringent Indian certification standards for import of telecom products and equipment and making TEC certification a must in this sector.

This would give the government much needed control and serve national interests," TEMA President Rajiv Mehrotra said.

Rajiv argues that the current flexibility in certification standards that apply to imports of telecom equipment must be removed. TEMA welcomed Telecom Minister Kapil Sibal's call for strengthening the hardware and manufacturing segment in India. "With the right policy initiatives, the government of India can lay the foundation of a vibrant Indian product manufacturing capability" TEMA said.

Nayak advocates an effective component eco system, long-term financing and domestic success stories to augment telecom equipment production. The next big bang opportunity is coming in the form of broadband expansion that is set to increase the number of Indian broadband subscribers 10 fold from the present 9 million.

Industry Perspective

The industry thinking is manifest in the views of Bharati Airtel - leading mobile player and telecom equipment

manufacturer. In response to a pre-consultation paper by TRAI-the telecom regulator, it said, "Duty reduction and financial incentives for promoting manufacturing of telecom equipment in India is a must. The Indian manufacturers are hit by high taxes and duties on import and export of telecom equipment".

Bharati wants zero excise duty on telecom equipments and waiving of GST rates for the telecom equipments. All equipments except handsets, attracts a 10 percent excise duty.



TOURISM

Visit Incredible India

The diversity for which India is famous ensures that there is something to do for all tourists, no matter where their interests may lie.

All types of tourism in India have registered phenomenal growth in the last decade ever since the Indian government decided to project India worldwide as the ultimate tourist spot.

The reason why India has been doing well in all types of tourism is that it has always been known for its hospitality, uniqueness, and charm – attributes that have been attracting foreign travellers to the country for hundreds of years. The Indian government, in order to boost tourism of various kinds in India, has set up the Ministry of Tourism and Culture. This ministry recently launched a campaign called 'Incredible India!' in order to encourage different types of tourism in India.

Tourism Types of India

Adventure Tourism: Adventure tourism has recently grown in India. This involves exploration of remote areas and exotic locales and engaging in various activities. For adventure tourism in India, tourists prefer to go for trekking to places like Ladakh, Sikkim, and Himalaya. Himachal Pradesh and Jammu and Kashmir are popular for the skiing facilities they offer. White-



Golden Temple

water rafting is also catching on in India and tourists flock to places such as Uttarakhand, Assam, and Arunachal Pradesh for this adrenalin-packed activity.

Wildlife Tourism: India has a rich forest cover which has some beautiful

and exotic species of wildlife – some of which that are even endangered and very rare. This has boosted wildlife tourism in India. Some of the popular places where tourists go for wildlife tourism are the Sariska Wildlife Sanctuary, Keoladeo Ghana National Park, Corbett National Park and Ranthambore National Park.

Medical Tourism: Tourists from all over the world have been thronging India to avail themselves of cost-effective but superior quality healthcare in terms of surgical procedures and general medical attention. There are several medical institutes in the country that cater to foreign patients and impart top-quality healthcare at a fraction of what it would have cost in developed nations such as USA and UK. It is expected that medical tourism in India will hold a value around US\$2 billion by 2012.

Pilgrimage Tourism: India is famous for its temples and that is the reason that among the different types of tourism in India, pilgrimage tourism is increasing most rapidly. The various places for tourists to visit in India for pilgrimage are Vaishno Devi, Golden Temple, Char Dham, and Mathura Vrindavan.





Darjeeling

Eco Tourism: Ecotourism in India has grown recently. Ecotourism entails the sustainable preservation of a naturally endowed area or region. This is becoming more and more significant for the ecological development of all regions that have tourist value. For ecotourism in India, tourists can go to places such as Kaziranga National Park, Gir National Park, and Kanha National Park.

Cultural Tourism: India is known for its rich cultural heritage and an element of mysticism, which is why tourists come to India to experience it for themselves. The various fairs and festivals that tourists can visit in India are the Pushkar Fair, Taj Mahotsav, and Suraj Kund Mela.

A Few Popular Destinations

Practically every city in India has

something to offer International tourists. The following are probably the most popular of destinations.

Agra: Agra is a city on the banks of the Yamuna River in the northern state of Uttar Pradesh, India. It finds mention in the epic Mahabharata when it was called Agrabana, or Paradise. Tradition and legend ascribe the present city of Raja Badal Singh (around 1475) whose fort, Badalgarh, stood on or near the site



Agra Fort



Dalai Lama Temple, Dharamshala



Hawa Mahal, Jaipur

of the present Fort. Agra achieved fame as the capital of the Mughal emperors from 1526 to 1658 and remains a major tourist destination because of its many splendid Mughal-era buildings, most notably the Taj Mahal, Agra Fort and Fatehpur Sikri, all three of which are UNESCO World Heritage Sites.

Darjeeling: Darjeeling the dream land of the East; also called 'Queen of Hills' has been a popular hill station since the British period. Darjeeling is best known as the centre for India's tea trade. It is surrounded by lofty mountains and the views from over the mountains to the snowy peaks of Kanchenjunga and down to the swollen rivers in the valleys are magnificent. One can also visit the Buddhist monasteries or take a chairlift to go trekking to high-altitude spots for closer views of Kanchenjunga (the name means 'House of Five Treasures').

Dharamshala: Dharamshala or Dharamsala is a city in Northern India. McLeod Ganj, a village within Dharamshala municipality, is the home of the Dalai Lama and the exiled Tibetan government. Dharamshala is located in the Kangra Valley, in the Dhauladhar mountains, and became the capital of the Kangra District in 1852. It is accessible from Pathankot which is 120 km away. The nearest railway connection to Dharamshala is Kangra. The nearest airport is Gaggal at Kangra, which is just 15 km away. There is a daily flight from Dharamshala to Delhi.

Goa: Contemporary history places Goa, a West Coast beach town on the Arabian Sea, as a favourite alternative escape destination for the Occidental counterculture set of the 1960s. Prior to then, in the distant past, Goa was ruled by the Portuguese, who dominated the way of life there for some four and a half centuries, their influence visible still in the architecture and culture of this sleepy town. Though popularly known as the holiday capital of South Asia, it is also a charming place with a unique international history. Serving as a welcoming entry point in India for artists and writers, Goa has also become

an attractive destination for tourists and pilgrims visiting both Catholic and Hindu shrines, and for new generations seeking alternative sites for seminars, workshops, and medical treatments.

Jaipur: Jaipur is one of the most beautiful cities in India. In 1876, Jaipur dressed itself in pink to welcome Prince Albert and Queen Elizabeth II, and thus the nickname 'Pink City' is still attributed to it. Jaipur is the capital of Rajasthan, the desert state in India, which is famous for its majestic forts, opulent havelis, beautiful lakes and sand dunes. It is also home to gold and



Goa Beach



Camel Safari, Jaisalmer

silver jewellery made in the 'Kundan' and 'Meenakari' traditions, which are now world famous. The city also has an excellent infrastructure to support the tourism. Jaipur has some of India's best hotels, which compliment the scenery and architectural beauty of the Pink City. It is fast turning out to be a blend of traditional and modern society with industrial development, setting up of higher education institutes and rise in MNC culture. Jaipur is a perfect place to enjoy all modern benefits of a growing city as well as enjoy that unique peace of an old establishment.

Jaisalmer: Jaisalmer is located in the middle of the desert in the western portion of Rajasthan state also nicknamed as 'The Golden City'. Tourist attractions in Jaisalmer are a constant reminder of the city's golden past that sparkles with tales of valour and courage. The surrounding region,

once a princely state, consists almost entirely of sand, forming part of the Great Indian (Thar) Desert. A visit here is incomplete without venturing on a Camel Safari. The heart-stirring yellow sandstone Jaisalmer Fort and the exotic Gadi Sagar Tank, which was, at a certain point of time in history, the only source of water supply for Jaisalmer, are two memorable sites. Jaisalmer has also become a popular destination for desert safaris in present times, rivalling other such expanses in Africa and elsewhere.

Khajuraho: The Khajuraho Group of Monuments in Khajuraho a town in the Indian state of Madhya Pradesh, located in Chhatarpur District, about 620 kilometres (385 mi) southeast of New Delhi, are one of the most popular tourist destinations in India. Khajuraho has the largest group of medieval Hindu and Jain temples, famous for

their erotic sculpture. The Khajuraho group of monuments has been listed as a UNESCO World Heritage Site, and is considered to be one of the 'seven wonders' of India. The Khajuraho temples were built over a span of 200 years, from 950 to 1150. The Chandela capital was moved to Mahoba after this time, but Khajuraho continued to flourish for some time. Khajuraho has no forts because the Chandel Kings never lived in their cultural capital. The whole area was enclosed by a wall with eight gates, each flanked by two golden palm trees. There were originally over 80 Hindu temples, of which only 25 now stand in a reasonable state of preservation, scattered over an area of about 20 square kilometres (8 sq mi). Today, the temples serve as fine examples of Indian architectural styles that have gained popularity due to their explicit depiction of sexual life during medieval times.

Pondicherry: Puducherry, formerly known as Pondicherry, is a Union Territory of India. It is a former French colony, consisting of four non-contiguous enclaves, or regions, and named after the largest region, Puducherry. Puducherry is one of the most popular tourist destinations in South India. The city has many colonial buildings, churches, temples, and statues, which, combined with the systematic town planning and the well planned French style avenues, still preserve much of the colonial ambience. Puducherry is also known as La Côte d'Azur de l'Est meaning 'The French Riviera of the East'. The most popular tourist destinations are the four beaches in Puducherry, which are Promenade Beach, Paradise Beach, The Auroville Beach and Serinity Beach. Sri Aurobindo Ashram located on rue de la Marine, is one of the best-known and wealthiest ashrams in India.

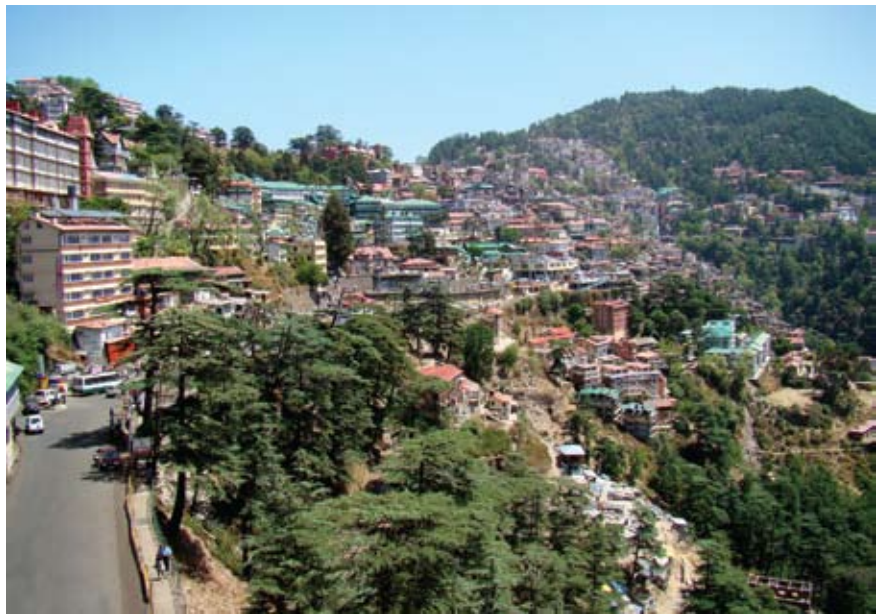
Khajuraho Temple



Pondicherry Church



Shimla: Shimla, originally called Simla, is the capital city of Himachal Pradesh. In 1864, Shimla was declared the summer capital of the British Raj in India. A popular tourist destination, Shimla is often referred to as the 'Queen of Hills'. Located in the north-west Himalayas at an average altitude of 2,205 metres (7,234 ft), the city, draped in forests of pine, rhododendron and oak experiences pleasant summers and cold, snowy winters. The city is famous for its buildings styled in tudorbethan and neo-gothic architecture dating from the colonial era. Shimla is connected to the city of Kalka by one of the longest narrow gauge railway routes still operating in India, the Kalka-Shimla Railway. Shimla is approximately 365 km (226.8 miles) north of New Delhi, the national capital. Further out from the city is the Naldehra nine-hole golf course, the oldest of its kind in India.



Shimla

Udaipur: Udaipur is known as the 'Venice of the East' and is also called the 'City of Lakes'. It is certainly an oasis in the landscape of Rajasthan, with blue waters surrounded by beautiful green hills. Udaipur has been the capital of the world's longest ruling dynasty – the Sisodias of Mewar. The temple of Eklingji, the patron deity of Udaipur royal family is worth visiting as are the nearby Sas-Bahu temples at Nagda. Lake Pichola is one of the central attractions of Udaipur. The grand City Palace sits on the banks of the lake and the Monsoon Palace on the hills nearby. All palaces in Udaipur are located on its banks or over its waters. It is quite rare to find any other body of water in the world having so many historic buildings as part of its premises.



Lake Palace, Udaipur

Varanasi: Varanasi stands on the west bank of the river Ganges as it flows through the north Indian state of Uttar Pradesh. This city has found a prominent place in the Buddhist scriptures as well the epic of Mahabharata. In Pali language, Varanasi is called Banarasi, Banaras, or Benares. From time immemorial Varanasi has been a centre of education, religion, art and culture. Varanasi has also excelled in the art of silk weaving. The Banarasi silk saris and brocades are cherished as collectors' items across the world.

In Summary

Books have been written about tourism in India. The foregoing was merely a snapshot of the wonders of Incredible India. Detailed information on the tourism attractions of India can be found at the Indian Ministry of Tourism and Culture website, <http://www.incredibleindia.org>.



Ahilya Ghat Varanasi

THE METROPOLISES (METROS)

New Delhi

The National Capital Territory of Delhi is considered one of the most historic capitals in the world, and two of its monuments – the Qutab Minar and Humayun's Tomb – have been declared World Heritage Sites. Exploring Delhi is both rewarding and fascinating. The most visited sites include the majestic Red Fort, the historical Chandni Chowk, as well as Raj Ghat and Shanti Vana – modern structures constructed after India's Independence in 1947. Present day Delhi is built around the ruins of seven ancient cities. As a commercial hub, Delhi has many shopping areas to offer its tourists. Visit the upscale avenues of Connaught Place, or go to Delhi Haat for handicraft goods. Don't forget to stop at Janpath Market for a variety of inexpensive traditional and souvenir items to bring home to your friends and relations.



Mumbai (Bombay)

Mumbai, formerly known as Bombay, is the capital of the state of Maharashtra. Mumbai consists of two distinct regions: Mumbai City district and Mumbai Suburban district, which form two separate revenue districts of Maharashtra. The city district region is also commonly referred to as the Island City or South Mumbai. It is the most populous city of India, with an estimated metropolitan population of about 12 million. Mumbai is almost overflowing with sights to see: fascinating culture, bustling city life and interesting landmarks. An abundance of outdoor markets and fine stores make this

destination a shoppers dream. The city is home to India's film and television industry, known as Bollywood. Mumbai is also one of the rare cities to accommodate a national park, the Sanjay Gandhi National Park, within its city limits.

Kolkata (Calcutta)

Kolkata, formerly known as Calcutta, is the capital of the Indian state of West Bengal and was capital of British India until 1912. The urban agglomeration of Kolkata covers several municipal corporations, municipalities, city boards and villages and is the third largest urban agglomeration in India and the seventh largest in the world. Situated on the banks of the Hooghly River, Kolkata was arguably second only to London in administrative importance in the British Empire. Home of luminaries like Rabindranath Tagore, Amartya Sen, Mother Teresa and Satyajit Ray, the city is often referred to as the 'cultural capital of India', while other sobriquets like 'the city of processions' and 'the city of joy' also adorn Kolkata.



Chennai (Madras)

Chennai, formerly known as Madras is the capital city of the Indian state of Tamil Nadu. Located on the Coromandel Coast of the Bay of Bengal, the urban agglomeration of metropolitan Chennai has an estimated population over 8.2 million people. The city is India's second largest exporter of software, information technology (IT) and information-technology-enabled services (ITES). A major chunk of India's car manufacturing industry is based in and around the city. Chennai is an important centre for Carnatic Music and hosts a large cultural event, the annual Madras Music Season, which includes performances by hundreds of artists. The city has a vibrant theatre scene and is an important centre for the Bharatanatyam, a classical dance form. The Tamil film industry, one of the largest film industries in India, is based in the city; the soundtracks of the films dominate its music scene.



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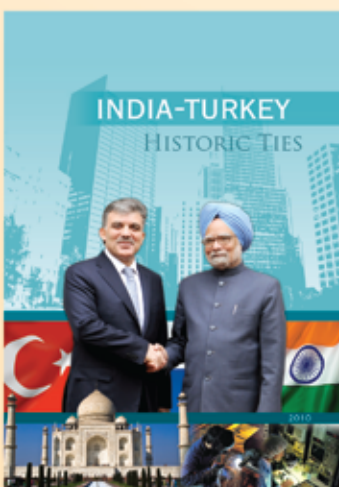
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For the best and most reliable fabric expansion joint solutions, and state-of-the-art material and design technology, contact KE-Burgmann Flexibles India Pvt. Ltd.!

As a wholly owned subsidiary of KE-Burgmann A/S, Denmark, we benefit from more than 40 years of experience with design and manufacture of fabric expansion joints. A new generation of materials are incorporated in designs to give our customers reliability in operation, when it comes to fabric expansion joints in:

- exhaust gas turbine ducting
- coal-fired plants, boilers
- pipe penetration seals
- FGD systems
- cement works
- incineration plants
- economizers and air preheaters
- fans
- ventilators
- raw and coal mills
- Chimney
- ESP, etc.
- top-of-rank reliability
- long service life
- easy replacement
- less downtime
- proven technology
- complete package solution
- supervision, installation and end-inspection
- maintenance and service agreements
- analysis of any site problem

In short: the most reliable partner and the best expansion joints available.

Contact:

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