

EXTRAORDINARY AND PLENIPOTENTIARY

diplomats

Special Report
PLUS

INDORAMA
VENTURES



2012

India-Thailand



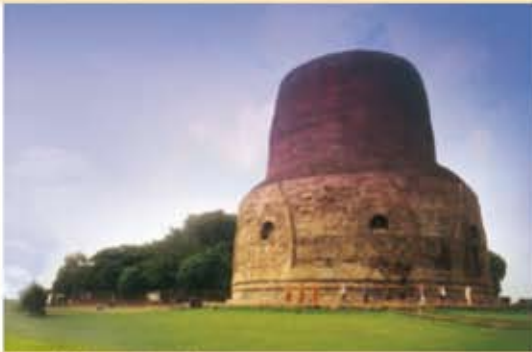
Incredible!ndia



Reclining Buddha, Kushinagar



Aarti at river Ganges, Varanasi



Dhamekh Stupa, Sarnath



Mahaparinirvan Express



discover
the glory of
sacred land
of
Buddha

Once in a lifetime opportunity!

Travel on Mahaparinirvan Express

Immerse yourself in the serenity of the spiritual journey with your travel, hospitality, security, sightseeing, professional tour guides, meals, travel insurance and all logistics being taken care of by Indian Railways. IRCTC's Mahaparinirvan Express, an exclusive air conditioned train to **Bodhgaya, Rajgir, Nalanda, Varanasi, Sarnath, Kushinagar, Lumbini, Sravasti & Agra** covers the most important Buddhist pilgrimage sites in India & Nepal and has been used and appreciated by pilgrims & tourists from 30 countries across the world.

Limited seats available. Book NOW for a journey
in the footsteps of Buddha

Log on to

www.railtourismindia.com/buddha

Indian Railway Catering and Tourism Corporation Ltd.

(A Government of India Enterprise)

Ground Floor, Jawahar Vyapar Bhawan, 1-Tolstoy Marg, New Delhi 110001, India.

Tel.: +91-11-23701100 Fax : +91-11-23701177

E-mail : buddhisttrain@irctc.com Web : www.railtourismindia.com/buddha



Come & Discover India with IRCTC

Saracote

Sarafil

Saralam



**“REMARKABLE GROWTH THROUGH TRUSTED PARTNERSHIPS
WITH INVESTORS, CUSTOMERS AND EMPLOYEES”**

Innovating with Excellence, Growing with Responsibility



Polyplex's mark of Quality touches and improves lives all over the world Polyplex is fully integrated manufacturer of packaging films. As the world's 4th largest producer of thin polyester film, Polyplex has global manufacturing facilities and marketing networks that serve our ever – expanding market in Asia, Europe and Americas.

Polyplex (Thailand) Public Company Limited.

75/26, Ocean Tower II, 18th Floor, Soi Sukhumvit 19, Sukhumvit Road,
Kwaeng North Klongtoey, Khet Wattana, Bangkok 10110, Thailand

Phone: +66 2665 2706-8, +66 2661 6798 | **Fax:** +66 2665 2705 , +66 2661 6799

POLYPLEX



CONTENTS

**Published and Produced by
Diplomatist Magazine**
an imprint of **L.B. Associates (Pvt) Ltd**
in association with
The Embassy of India, Thailand

Disclaimer: Although all efforts have been made to ensure complete accuracy of the text neither L.B. Associates (Pvt) Ltd nor the Embassy of India in Thailand can accept responsibility for consequences arising from errors of omission or advice given.

L.B. Associates (Pvt) Ltd
Email: info@lbassociates.com
Website: www.lbassociates.com

**Gold Sponsor—Indorama Ventures
Public Company Limited, Thailand**

Ambassador Speaks	5
India – A Billion People and a Trillion Economy	6
India-Thailand Relations	10
India’s Auto Components Sector	16
India’s Petrochemical Sector	22
Indian IT & ITeS Sectors	24
India’s Construction Sector	26
India Tourism Incredible India Beckons!.....	28
India’s Textiles Industry.....	34
India for FDI	35

Ambassador Speaks



On the occasion of the 62nd anniversary of the Indian Republic, I extend my warm greetings and congratulations to all Indian nationals and Persons of Indian Origin in Thailand. I also convey my best wishes to the friendly people of Thailand on this happy occasion.

This year's celebrations are of very special significance for Indo-Thai relations, as H.E. Yingluck Shinawatra, the Prime Minister of Thailand, is the honoured Chief Guest for the ceremony in New Delhi at the invitation of our Prime Minister Dr Manmohan Singh. Her State visit, during which a number of important agreements have been signed and several new initiatives announced, has laid down the foundation of a renewed level of partnership for the future between our two countries. Her visit also commemorates two special landmarks, 65th anniversary of our bilateral diplomatic relations and 20 years of India's enhanced engagement with ASEAN.

The Republic Day celebrates the ethos of our freedom movement and vision of our founding fathers, justly embodied in our Constitution. Enshrining values that are universal and yet form the cornerstone of the Indian Republic, our Constitution has enabled our young nation to carry forward the traditions of our ancient civilization. India's pluralism represents stability, tolerance, peaceful and harmonious co-existence, and respect for democratic values.

Our close ties with Thailand have grown stronger during the past one year. We were honoured to have H.R.H. Princess Maha Chakri Sirindhorn visit us twice- on an official visit in March 2011 and as ICCR's distinguished visitor in October 2011. HRH Princess Bajrakittiyabha visited Bodhgaya for a Royal Kathin ceremony and other places of pilgrimage in November 2011. Former Prime Minister H.E. Mr. Abhisit Vejjajiva visited India in April 2011. A number of visits by Ministers and other senior leaders from both sides have kept up the momentum of high level exchanges, the most recent of them being that of H.E. Mr. Surapong Tovichakchaikul, Minister of Foreign Affairs, in December 2011 to Co-chair the 6th Thailand-India Joint Commission Meeting.

Our bilateral trade is poised to cross US\$8 billion this year, having grown by a healthy 23% for Jan-Nov 2011. It will get a further, immediate, boost with signing of the 2nd Protocol to amend the 2003 Framework Agreement that will expand the scope of current Early Harvest Scheme. Both sides have made good progress on the bilateral Comprehensive Agreement on Trade in Goods, Service and Investments, and are targeting its finalization by mid-2012. A CEO Forum set up during PM Yingluck Shinawatra's visit would help greater participation of the private sector in enhancing economic and commercial links.

Our ongoing defence and security cooperation has been marked by a series of Coordinated Patrols, Exercise 'Maitree' between the two armies and regular exchange of officers, visits and participation in training courses. This process would be further strengthened by the recently concluded MoU on Defence Cooperation between the two countries.

With nearly one million Indian tourists visiting Thailand now, India has emerged as one of the fastest growing incoming tourist markets for Thailand. There is now excellent air connectivity, with more than 140 flights between Thailand and various cities in India. The Indian education sector continues to attract Thai students. While the Government of India provides over 130 scholarships for Thai students every year, a number of prestigious Indian universities and colleges welcome Thai students through direct admission. The Indian Cultural Centre in Bangkok, even though in nascent stages, has taken significant steps in promoting our shared heritage of art, dance and music. The recent announcement to establish an India-Thailand Foundation and the Cultural Exchange Programme for 2012-14 that has been put in place reflect our resolve to carry forward our people-to-people exchanges and further enrich our age-old cultural links.

During the recent floods in Thailand, the government and people of India stood in complete solidarity with the Thai people in undertaking relief and rehabilitation. I am happy to note that the Thai-Indian community, which has served as an effective bridge between our two countries, also made significant contributions to the Thai national effort.

A number of special events such as India-ASEAN Car Rally, the sailing ship expedition, the 4th edition of Delhi Dialogue and the ASEAN-India Business Fair would lead up to the Commemorative India-ASEAN Summit in December 2012 in New Delhi. Accelerated implementation of the Action Plan for India-ASEAN Partnership 2010-15, and the East Asia Summit process, is helping draw India and South-East Asia closer together. We are also working together with Thailand and other regional partners on a number of initiatives under BIMSTEC and Mekong Ganga Cooperation (MGC).

Among all the riches of our shared heritage, the teachings of Lord Buddha are the most precious. On this Republic Day, I wish that His words of wisdom may continue to enlighten our common path for peace, prosperity and progress.

H.E. Mr. Anil Wadhwa
Ambassador of India to Thailand

India – A Billion People and a Trillion Economy



India is surging ahead in all frontiers—Resources; Knowledge; Technology and Influence, without compromising on its age-old philosophies, traditions and wisdom.

India is as huge as a sub-continent and has a melange of cultures, religions, races and languages manifesting themselves in the shape of a vibrant, pluralistic society. India nurtures an ancient civilisation within a modern nation.

While India's roots stretch into the 4500-year-old Indus Valley Civilisation, its vision is fully calibrated to the 21st century. Indian society strides the frontiers of yesterday and tomorrow with consummate ease. That is the reason why India's modernisation is always in sync with tradition; the accent being evolution rather than revolution.

India is a land of rivers, mountains, deserts, islands, plain lands and numerous ethnic groups. Dozens of languages and hundreds of dialects and cultures coexist here. To see the unity in diversity at this miniature world, Welcome to India.

India's Legacy

In ancient times, it was India that taught the world the concept of zero; explored the philosophical essence of Karma, and aesthetically interpreted the latent art in erotica. In today's India, modernisation and tradition co-exist with a cultural opulence blending the complex, magical, aspirational and cosmopolitan sides of the country's lifestyles.

India's binary pairs may look like eclectic mixes; traditional wisdom of Ayurvedic medicine co exists with state-of-the-art advanced medical centres; ancient temples and their ruins are as appealing as the modern 'temples of science' such as technology and management institutes.

India is a land that can combine tourism and healthcare, or juxtapose the oldest with the newest cities; but none 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.

Brief History

India's history dates back to 3000 BC and beyond. The Indus Valley civilization, one of the world's greatest ancient civilizations, flourished in India. India's ancient history is a fascinating melange of kingdoms and empires and their rise and fall. Chandragupta Maurya (322-298 B.C.) was one of India's greatest emperors. The Mauryan reign blazed in glory under emperor Ashoka the Great, who was not just a ruler, but one of the most successful propagators of Buddhism in India and the outside world.

Unlike north India, foreign invasions made little impact on the civil life in South India, which also saw the rise and fall of many empires including the Cholas, Pandyas, Cheras, Pallavas and Chalukyas. The region also witnessed glory of the Hoysala and the Vijaynagar empires.

Geography and Climate

India is the 7th largest country in the world with a total land area of 3.3 million square kilometres. To its north are the towering Himalayas, which slope out into the great Indo-Gangetic plains. On the east coast India is washed by the Bay of Bengal; while the west coast is adorned by the Arabian Sea. The southern-most tip of India juts into the Indian Ocean.

India's varied geography has always been an asset and one of its prime attractions. Where else can one find plateau, desert,



Indus Valley Civilization



plain land, coastal patches, marshlands, delta, and islands, all together? India delights eternally with its widest variety of flora, fauna and climate; seasons that range from tropical to arctic. The travellers and tourists to India are left spellbound, at the nature's gift to India.

The Deccan Plateau is the oldest part of India. The Indo-Gangetic plain in the north is formed by the basins of three great rivers, the Indus, the Ganges and the Brahmaputra. To the west of the country lies the Thar Desert in Rajasthan. A little south of it are the unique marshlands of Kutch, while on the east Ganges drains out into the sea, creating the world's largest delta, the Sunderbans—the unique mangrove forest. India's islands are the Andaman and Nicobar in the Bay of Bengal and the Lakshadweep Islands on the Arabian Sea.

India has a variegated climate that changes from region to region. The

North enjoys a cold weather in the winter between November and March. The coastal areas maintain a tropical climate throughout the year, while the plains and most central and southern regions of the country stay hot in the summer, from April to June. Most parts of the country get a vigorous monsoon that starts from June and lasts till early October.

India's internal diversity is fully replicated in its border demarcations with its neighbours. Located in the northern hemisphere, India shares its borders with Afghanistan, Pakistan, China, Nepal, Bhutan, Myanmar and Bangladesh. The rest of the land is surrounded by sea.

India's Global Role

India's seat at the high table in the emerging world needs no reiteration. India has made its presence felt on most global issues including its role in

helping to informally steer the World Trade Organization's Doha Round of negotiations. In 2007, India became one of the five emerging economies that were part of a dialogue on the global economy with the G-8. India role as a respected member of the G-20 and the crucial role it is playing in the Financial Stability Forum that is tackling the global financial meltdown are globally hailed.

India's two-year membership on the UN Security Council since 2010 has reinforced India's stature as a mature power to watch. In 2010, the heads of state from all five permanent Security Council members visited New Delhi; it was a sign that India has arrived on the global scene as a powerful player.

The US President Barack Obama made a historic statement, "For all countries, India will be one of the defining partnerships of the 21st century."



William Burns, US Deputy Secretary of State remarked, recently: "Soon to be the world's most populous country, and already the world's biggest democracy, with an economy likely to be the world's third largest within two decades, India's rise is going to reshape the international system".

Lauding Indian diplomacy, William Burns added, "India is already a powerful economic and cultural presence in East Asia, and has a vast network of economic agreements and security arrangements with partners such as Japan, South Korea, Australia, Singapore, Indonesia, and Vietnam. India's outreach is growing towards a comprehensive vision for the region".

Economic Growth

India's economy is growing around 7.5 percent. According to Dr Manmohan Singh, Prime Minister, the economy is "growing well and in fact, contributing to the recovery of the world economy".

In the report, "World Investment Prospects Survey 2009-2012" the United Nations Conference on Trade and Development (UNCTAD) ranked India in the second place in terms of the global foreign direct investments (FDI) flow in the year 2010 and expects India to remain among the top five attractive destinations for international investors during 2010-13.

India is now ranked fifth in global economic clout after the US, China, Japan and Germany, and ahead of European



powers France and the UK, according to a study authored by Kaushik Basu, Chief Economist Advisor, Ministry of Finance, Government of India.

Foreign Direct Investment (FDI)

According to McKinsey Global Institute (MGI), India's consumer market will be the world's fifth largest (from twelfth) in the world by 2025. India is one of the most attractive investment destinations (FDI) in the world with an assured annual return of 38.36 percent, which is the second highest in BRIC economies.

The total FDI equity inflows during financial year 2011-12 from April to September 2011 stood at US\$19.14

India's economy is growing around 7.5 percent. According to Dr Manmohan Singh, Prime Minister, the economy is "growing well and in fact, contributing to the recovery of the world economy"

billion aggregating to 74 percent growth over last year. In the next two years India will attract foreign direct investment (FDI) worth US\$80 billion, according to Morgan Stanley. In the last two years, India received US\$48 billion in FDI. Considering the fast pace of FDI growth in India, KPMG believes that FDI in India in the fiscal 2011-12 might cross US\$35 billion mark very soon.

India has entered the club of 'Top 20 Exporters' of goods and also reclaimed its position as a member in the club of 'Top 10 Services Exporters' in 2010. India's goods exports rose 31 percent in 2010, and moved up two places to 20 from 22.

India's 12th Five Year Plan targets annual GDP growth rate of 9 percent. For the 12th Plan, the Government has set an ambitious target of more than US\$1 trillion investment in infrastructure sector.

In the words of India's top industrialist Mukesh Ambani, Chairman and Managing Director, Reliance Industries: "India is a land of billion opportunities and not a billion problems. India added a trillion dollars of output in the last 20 years".

Forex Reserves

India's foreign exchange (Forex) reserves increased to US\$320 billion by the end of October 2011, owing to revaluation of foreign currency assets, according to the Reserve Bank of India. The Government also approved fund raising worth Rs 60,950 crore (US\$11.61 billion) by companies through external commercial borrowings (ECB) or foreign currency convertible bonds (FCCB) for infrastructure projects.

INDIA: QUICK FACTS

Capital	New Delhi
Land Area	3.3 million sq km
Population	1.21 billion or 121 crore (2011 est.)
Languages	Hindi is the official language. 18 principal languages: English is the preferred business language.
Religions	Majority are Hindus: Significant number of Muslims, Christians, Sikhs, Buddhists, and others.
Currency	Indian Rupee (INR)
GDP	US\$1.73 trillion at current prices US\$4.06 trillion at Purchasing Power Parity
GDP growth	8.5 % (2010-11)
Projected GDP Growth rate in 2011-2012	7.9%
Exports	US\$217.6 billion (Dec 2011) (As per data of last 3 Quarters)
Imports	US\$350.9 billion (Dec 2011)
FDI stock	US\$35.6 billion (2009-10)
Forex Reserves	US\$293.54 (Jan 2012)

Exports

India's merchandise exports increased nearly 82 percent in July 2011 more than the previous year to touch US\$29.3 billion, according to the Ministry of Commerce and Industry. Exports during April-July 2011 (Q1) reached US\$108.3 billion, up by 54 percent over the same period a year ago. Says Rahul Khullar, Secretary at the Ministry of Commerce: "The rise in exports was due to higher demand enjoyed by engineering and petroleum products, gems and jewellery, and readymade garments".

In Q2, India's exports grew by 36.3 percent by September 2011 at US\$24.8 billion compared to US\$18.2 billion in the same period last year, while imports grew by 17.2 percent at US\$34.5 billion.

Private Equity

Private equity (PE) investments are seeing India as a safe destination; over all PE investments stood at US\$6.14 billion in value terms, and the deals increased by 33 percent to 195, in the 6 months from January to June 2011, according to a data by Venture Intelligence. The rise in the value of the deals so far (June 2011) was 52 percent, as compared to US\$4.04 billion raised in the previous year.



Vision

To conclude, India of the 21st Century is as much about Khajuraho and Konark temples, and of the Ajanta-Ellora caves, as it is about the IITs (Indian Institute of Technology) and AIIMS (All India Institute of Medical Sciences); it is as much about Rig Veda as it is of Indipop chartbusters; it is as much about inner introspection, as it is about the quest for worldly success.

The new India is galloping towards progress and prosperity, with strong sense of opportunity, self-confidence and ambition. Though economic development is at the focal point of progress, India's vision transcends that and dreams a world that is equitable and respectful of the human spirit. Yes, India is in the 'Fast Forward' mode....

Every product...
*touches hearts,
 spreads smiles.*

Touching Hearts.
 Spreading Smiles.
 Since 1937.



IOB
 SB Student

Reaching the
 new
 generation with
 new banking
 solutions



Beautiful dreams
 brought to life with
 IOB Subha Gruha

Subha Gruha
 Home Loan



CAPTURE
 THE ESSENCE OF
purity
 this
 festive
 season



Gift
 PURE GOLD...
 Receive
 PURE JOY...

pure
 precious
 prestigious
 prosperity



IOB Supreme
 CURRENT
 ACCOUNT

Strengthening
 the possibilities for
growth

Internet
 Mobile
 Banking
 from IOB

anytime
 anywhere
 and
 perfectly
 secure!



Net Banking
 Mobile Banking
 Payment Gateway



A Salary Account
 with
 Business Class
 Features!

Presenting the IOB
**CORPORATE SALARY
 ACCOUNT**
 A convenient way to
 disburse salaries



FOR
 SENIOR CITIZENS
10.25%

IOB OFFERS ATTRACTIVE
 INTEREST RATES ON DEPOSITS
 (For Domestic and Non-Resident Ordinary Customers)
**FROM 1 YEAR TO
 LESS THAN 2 YEARS**

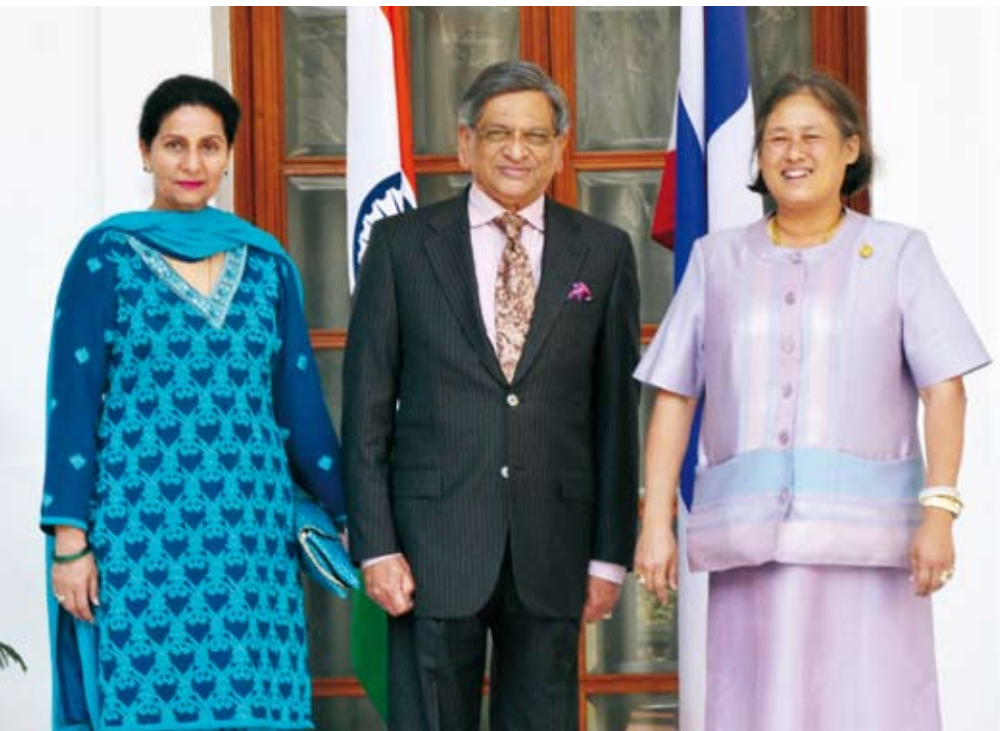
FOR
 GENERAL PUBLIC
9.50%



इण्डियन ओवर्सीज़ बैंक
Indian Overseas Bank
 Good people to grow with

Head Office :
 763 Anna Salai,
 Chennai 600 002
 Toll Free : 1800 425 4445
 Website : www.iob.in

India-Thailand Relations



External Affairs Minister Shri S.M. Krishna and Minister Of State Smt. Preneet Kaur with the Princess of Thailand Maha Chakri Sirindhorn at New Delhi

Exchange of High Level Visits

HRH Princess Mahachakri Sirindhorn, a recipient of India Gandhi Prize for Peace, Development and Disarmament 2004, is a regular visitor to India. She visited India last in October 2011 under ICCR's Distinguished Visitor Programme. Her other recent visits were in Mar 2011, Aug 09, Feb 09, March 08 and March, Aug 07. Crown Prince HRH Mahavajiralongkorn, accompanied by royal family members and other prominent figures, piloted a special Thai Air flight to Bodhgaya to perform Buddhist pilgrimage on November 13, 2010. HRH Princess Bajrakittiyabha visited Bodhgaya and other pilgrimage sites in November 2011.

There have been six Prime Ministerial visits from Thailand to India between 2001 and 2011. There were also four Prime Ministerial visits from India to Thailand during this period. Visits from the Thai side were of Prime Minister Abhisit Vejjajiva (Apr 2011), Prime Minister Somchai Wongsawat (Nov 08) who participated in the 2nd BIMSTEC Summit in New Delhi, Prime Minister Surayud Chulanont (April 07), and Prime Minister Thaksin Shinawatra (Nov 01, Feb 02, and June 05). From the Indian side, visits were of PM Atal Bihari Vajpayee (Nov 02, Oct 03) and PM Dr. Manmohan Singh (July 04 – for 1st BIMSTEC Summit). Dr Manmohan Singh also participated in the 7th India-ASEAN and the 4th EAS Summits held in Hua Hin in Oct of 2009.

Background

India and Thailand, located in each other's extended neighbourhood, share a maritime boundary in the Andaman Sea.

Both countries share unique civilizational links going back several millennia. The shared link of Buddhism is reflected in regular pilgrimages to places of Buddhist interest in India by a large number of Thai people. Hindu elements can be found among those reflected in Thai architecture, arts, sculpture, dance, drama and literature. The Thai language incorporates Pali and Sanskrit influences. A large Indian Diaspora living and working in Thailand is another important bond.

Over the past two decades India's 'Look East' policy has been complemented by Thailand's 'Look West' policy in bringing the two countries closer. India and Thailand will celebrate 65 years of their diplomatic relations in 2012. In recent years, political contacts have intensified as reflected in a series of high level visits by leaders of the two countries. Trade and economic linkages and tourist traffic continue to grow steadily.

Both countries are important regional partners linking South and Southeast

Asia. They cooperate closely in the ASEAN, East Asia Summit (EAS) and BIMSTEC groupings, as also Mekong Ganga Cooperation (MGC) and Asia Cooperation Dialogue (ACD). The implementation of the India-AESAN Agreement on Trade in Goods from January 2010 is an important latest milestone of this partnership.



Thailand Prime Minister Ms. Yingluck Shinawatra and India's Prime Minister Dr. Manmohan Singh

Foreign Minister Surapong Tothakchaikuk visited India to co-chair the 6th meeting of Thailand India Joint Commission on December 27, 2011. Other important Ministerial visits include: of Foreign Minister Kasit Piromya (Mar 11, Dec 2009); Culture Minister Niphit Intarasombat (Jan 2011); Industry Minister Charnchai (Feb 2010, June 09); Dy. PM Korbassak Sabhavasus (Oct 2009); Foreign Minister Tej Bunnag (Aug 08); Dy PM & Minister for Industry Panpiemras (Aug 07); and, Minister of Commerce (Sep 09, April 07). From the Indian side: EAM (July 09 for the Ministerial Meetings of 16th ARF, ASEAN-India and EAS Sep 07); C&IM (Oct, Aug 2009, twice in April 09; April 08); Minister for Urban Development (Apr 2011); Minister for Road Transport & Highways (Dec 2009); Minister DoNER (March, Oct 07); MOS Industry (Oct 07); and, MOS for External Affairs Mrs. Preneet Kaur (Dec 2010 for AMED-III meeting).

Economic & Commercial Partnership

Economic and commercial linkages form an important aspect of India's partnership with Thailand. The past few years have seen a rapid intensification of these linkages between India and Thailand.

Bilateral Trade has multiplied six times since 2000 to cross US\$6 billion in 2008. The 2009 global financial crunch adversely affected trade between the two countries and the bilateral trade fell to US\$5 billion registering a negative growth of 17.13 percent from the previous year. However, in 2010 trade recovered quickly with total trade touching US\$6.64 billion registering a growth of 34.23 percent. This included Indian exports of US\$2.25 billion (30.39% growth) and Thai exports of US\$4.39 billion (36.29% growth). Trade during Jan-Nov 2011 was US\$7.46 billion (Thai exports to India: US\$4.72 billion, Thai imports from India: US\$2.74 billion). Bilateral trade is expected to touch US\$10 billion mark by 2012.

Investment by Indian and Thai companies into each others' countries is growing. Indian FDI into Thailand is estimated to be around US\$2.0 billion since 1970s. (Approved Indian investment from Jan-Nov 2011 is around US\$56 million). Thailand has invested US\$90.55 million in India (April 2000 - Sep 2011) according to Department of Investment Policy Promotion of Government of India.

The Tata Group has growing business interest in Thailand with Tata Motors



The Tata Group has growing business interest in Thailand with Tata Motors forming a joint venture with Thonburi Automotive Assembly Plant Co. to form Tata Motors (Thailand), which launched a pickup truck in the Thai market in March 2008

forming a joint venture with Thonburi Automotive Assembly Plant Co. to form Tata Motors (Thailand), which launched a pickup truck in the Thai market in March 2008; Tata Steel having invested in the largest Thai steel manufacturer Millennium Steel to create Tata Steel Thailand; and Tata Consultancy Services having a long presence. The Aditya Birla Group, Mahindra Satyam, Ranbaxy*, Dabur, Lupin, and NIIT are among the other major Indian companies doing business in Thailand and reflecting the diverse sectors of interest. Recently Kirloskar Brothers Ltd opened its office in Bangkok and Punj Lloyd Group entered into a joint venture. Jindal Group is keen to expand its operations into Thailand in steel and also in other construction materials like cement and innovative building materials made from eco-friendly recycled objects for construction of roadways. The company has come up with the innovation of 'Plastic Road' which uses chemical and plastic waste. The group has expressed its willingness to set up a steel plant with a production capacity of 2.5 to 3 million tones steel per annum.

Leading Thai companies in the fields of agro-processing, construction, automotive, engineering and banking have active and growing business presence in India. Major Thai companies active in India are: C.P. Aquaculture (India) Ltd.; Ital Thai Development Pcl.; Krung Thai Bank Pcl.; Charoen Pokphand

(India) Private Limited; Stanley Electric Engineering India Pvt. Ltd.; Thai Summit Neel Auto Pvt. Ltd.; Thai Airways International Pcl.; and, Precious Shipping (PSL) of Thailand. Dusit Group (Hotel & Hospitality Industry), Prukha Real Estate PCL (Real Estate business), and Sirithai Superware PCL (Melamine tableware manufacturing) have made investments in India.

There is an active India-Thai Joint Commission (headed by respective Foreign Ministers) and also a well-established India-Thai Chamber of Commerce, and an active India-Thai Business Association, besides a Joint Business Council.

The ASEAN-India Agreement on Trade in Goods was signed in Bangkok on 13 Aug 2009 and came into effect on 01 January 2010. Negotiations are also ongoing on a BIMSTEC FTA and an India-Thailand FTA. An Early Harvest Scheme under the proposed India-Thailand FTA is already in place since Sep 2004 covering 82 products. This has also contributed to greater mutual awareness among the business community of the two sides.

Another significant element has been the active promotion of trade & investment linkages between the north eastern states of India and Thailand. A high profile promotional 4-day event focusing on north eastern states was held in Bangkok in 2007 for which a nearly 400 strong

business and official delegation visited Bangkok. The Indian delegation was led by the Hon'ble Minister for Development of North Eastern Region and included MOS Industry and Chief Ministers from 5 North East Indian states. Thai ministers have also led business delegations to the North East Indian states in recent months.

The Federation of Indian Chambers of Commerce & Industry (FICCI) held a FICCI-IIFA Business Forum in Bangkok in early June 2008 to coincide with the International Indian Film Academy (IIFA) Award events held between 06 and 08 June 2008.

The India Trade Promotion Organisation (ITPO) held a major exclusive India Fair in Bangkok from July 24-27 2008. CII organized a Business Seminar on the opening day.

The Embassy, in association with AYUSH & FICCI organized a conference on Indian traditional medicine in Bangkok on August 24, 2010. The event was attended by senior officials of the Thai Department of Traditional Medicine and officials of the Thai Chamber of Commerce, besides representatives of Thai companies from the traditional medicine sector and leading spa operators.

An exclusive Indian Investment Seminar was organized by the Embassy in association with the Thai Trade Representative's Office in Bangkok on 19 November 2010. The event generated considerable interest in the Thai business circle and fresh awareness about investment opportunities in India.

A seminar entitled 'Indian Urban Infrastructure Opportunities' was organized in association with ICC Kolkata on 01 April 2011 in Bangkok.

INDEE Bangkok 2011 – an exclusive Indian Manufacturing exhibition sponsored by EEPIC India and supported by the Embassy of India, Bangkok was held in Bangkok from 23-26 June 2011 in which 155 Indian companies participated.

Tourism and Connectivity

The air connectivity between India and Thailand is growing with over 140 flights per week reflecting a rapidly growing traffic of tourist and businesspersons between the two countries. Bangkok is connected by air to 9 Indian destinations. Major airlines that operate between India and Thailand are Indian Airlines/ Air India, Kingfisher, Jet Airways, Thai Airways, Bangkok Airways, Air Asia and IndiGo.



India and Thailand are cooperating closely on improving regional connectivity through initiatives such as India-Myanmar-Thailand trilateral Highway, Asian Highway Network (under UNESCAP), BTILS under BIMSTEC framework.

About 790,000 Indian tourists visited Thailand in 2010, making India one of the fastest growing markets for Thailand for inbound tourism. In 2011, the number was expected to reach one million. The number of Thai tourists to India is around 45,000 (mainly to Buddhist pilgrimage sites).

Defence

Defence cooperation comprises regular joint exercises/joint maritime patrols near the international maritime boundary to counter terrorism, piracy and smuggling; training of officers at each others' Armed Forces Training institutions; and participation as observers in military exercises, staff talks and exchange of trainee visits at various levels.

Culture

Cultural exchanges take place under the framework of a Cultural Exchange Programme (CEP) between the two governments. An Indian Cultural Centre was opened in Bangkok in September 2009. A Cultural Agreement was signed by the two countries in 1997.

Education

A MoU on Cooperation in the Field of Education was signed in 2005. During 2009 the Government of India offered nearly 100 scholarships to Thai students under its ITEC and ICCR sponsored schemes. A large number of Thai students are also studying on a self financing basis. The Ministry of Human Resource

Development provides for secondment of 8 professors every semester for the Asian Institute of Technology (AIT), Bangkok.

Government of India contributed Rs. 1.25 crores (Thai Bht 10 million) in 2008 towards construction of a new building for the Sanskrit Studies Centre at Silpakorn University, Bangkok and has deputed a Sanskrit professor. An India Studies Centre has been functioning at the Thammasat University of Bangkok since April 1993. Plans are afoot to upgrade this Centre with help of the Government of India, so that it begins offering under graduate courses. In 2008, the Mahidol University of Bangkok started a Masters of Arts course on Indian studies. An India Studies was officially inaugurated at Chulalongkorn University on March 6, 2011. ICCR will set up a Chair at this Centre.

Indian Diaspora in Thailand

It is estimated that there are between 100,000-150,000 people of Indian origin in Thailand. Many of them have lived here for several generations over the past century. The majority of them hold Thai nationality. The Indian community comes from different part of India and mainly comprises Sikhs, Punjabis, Gorakhpuris, Tamils and Sindhis. Two persons of Indian origin from Thailand have been awarded the Pravasi Samman in 2006 and 2010.

Embassies/Consulates

Besides the Embassy in Bangkok, India has a Consulate in the northern Thai city of Chiang Mai. Thailand has consulates in Mumbai, Kolkata and Chennai, besides its Embassy in New Delhi.

Also visit: www.indianembassy.in.th

KIRLOSKAR BROTHERS LIMITED

Interview of Mr. Sanjay Kirloskar, Chairman & Managing Director



Q. Please give some insight into your decision to establish a subsidiary KBTL in Thailand in terms of the opportunities and attractions of Thailand as a place to do business for Indian companies?

First let me address the attraction of Thailand as a place to do business for Indian companies. As far as our perspective of the region and Thailand as the hub is concerned Kirloskars are not new to South East Asia. In 1960's, Indo-Malaysia Engineering was established in Malaysia followed by Kirloskar Industries in Philippines and a Kirloskar Group Warehousing facility for the region was set up in Thailand. The regional economic downturn of the late 1980's coupled with stringent FERA norms of Government of India, restricted capital infusion and management of our overseas operations, and led to the closure of our overseas business enterprises.

Through 1960's to 80's, 'Brand Kirloskar' was established and accepted with a large customer base in leading South East Asia countries - Malaysia, Thailand, Philippines and Indonesia.

However, in the 1990's and post closure of the manufacturing enterprises; we continued to provide sales and services to our customers through regional offices set-up in Malaysia and Singapore. But this was ineffective in meeting market demands, and led to customer dissatisfaction.

In early 2000, we decided to re-establish our presence in the region with a purposeful agenda. To do this, we first appointed new channel partners in the region and revisited our old customers, in addition to adding new customers. The last decade has been exciting as well as challenging given our new entrant status, as in the interim other foreign brands had captured market share and preferential status.

To strengthen our regional presence and act local (once again), we decided to set-up a subsidiary company in the region and here, Thailand stood up as the ideal destination. The purpose this time was to first start a sales and service operation followed by assembly/ manufacturing set-up.

Q. What are the factors that make Thailand attractive from an investor's point of view?

Let me discuss this from our point of view. In November 2006, we prepared an initial country specific report for four countries (Malaysia, Vietnam, Indonesia and Thailand) in South East Asia with the following objectives:

1. To establish a regional hub with a stock and sale operations facility
2. To review assembly and manufacturing feasibility

This report provided valuable insights for each country and Thailand stood out as the preferred destination for KBL's regional presence in ASEAN. Further, Thailand offered the following additional points which were considered -

- The Royal Thai Government welcomes foreign investment, and investors who are willing to meet certain requirements can apply for special investment privileges through the Board of Investment.
- Thailand's increasingly diversified manufacturing sector is the largest contributor to growth. Industries registering rapid increases in production included computers and electronics, furniture, wood products, canned food, toys, plastic products, gems and jewellery. Further, high-technology products such as integrated circuits and parts, electrical appliances, vehicles and vehicle parts are now leading Thailand's strong growth in exports.
- Thailand is part of the ASEAN Free Trade Area which came into force on January 01, 2003. Also, Thailand is a member of the World Trade Organization (WTO) and the Cairns Group of agricultural exporters.
- In analysing the pump markets in the Asia-Pacific region, Thailand's market potential is significant and the second largest after Australia.
- We are well networked with all the leading and large pumps purchasing authorities in Thailand – RID, PWA, BMA, MWA and DWR.

We need to understand that Thailand is one of the fastest growing economies in Asia and the fastest growing economy in South East Asia. The country has a GDP worth of Baht 9.5 trillion {on a purchasing power parity (PPP) basis}, or US\$584 billion (PPP) making it the 24th largest economy in the world.

This classifies Thailand as the second largest economy in Southeast Asia after Indonesia.

Q. What is your business model for your South East Asia operations?

Present revenue streams include:

- Own products (Pumps and Refrigeration Compressors)
- Trading (products manufactured in Thailand and other regional ASEAN countries)
- Product Support and Service

To meet customer expectations, we have now established regional representative offices in Singapore, Laos, Cambodia, Indonesia and Vietnam. Our teams at these locations ensure that prompt customer support is provided.

Q. What technological innovations are you offering?

Along with SPP Pumps Ltd., our subsidiary company in UK, we have successfully developed and marketed the Lowest Life-Cycle Cost (LLC) pumps. This range, though high in initial cost, provides the customer long and efficient product life. This is a new concept in South East Asia, whereas in Europe and other developed countries, this product has an established customer base.

Another technologically proven, efficient and highly reliable product we have to offer is the Concrete Volute Pump (CVP). The CVP addresses large water requirements, be it for water

supply, drainage, irrigation or high capacity power plant requirements.

Q. Please throw some light on your infrastructure in terms of production facilities and R&D?

Our present set-up based in Chachoengsao on the Bang-na Trad Road in Thailand is a modest start-up unit. We have local arrangements with Thai industries for packaging our pump sets for supply in Thailand and export to regional countries; the Thai operations are a regional hub for Kirloskar Pumps. At this facility we also have an established service set-up to bring in our products for repair and refurbishment.

The Thai operation is supported by Sales and Service Representative Offices in Vietnam, Singapore, Laos, Cambodia and Indonesia. This company is a Board of Investment approved enterprise.

The next step for us is to look at local assembly and manufacturing. We are working on this agenda. An R&D set-up would form part of this expansion program.

Q. Please explain your marketing strategy and targeted markets?

As mentioned earlier, the Thai operation is a regional hub for Kirloskar Pumps and Services, well supported by regional country representative offices. Further, we have appointed sales channel partners across the region (from Japan down to Australia), with all sales (both domestic and export) originating from Thailand.



Kirloskar Brothers (Thailand) Limited



Kirloskar Brothers Limited Global Headquarters, Yamuna

South East Asian markets have abundant growth opportunities for pumps in different market sectors but our focus in the region is on Power, Water Supply and Industry.

- In Power sector, we are focused on working with Korean EPC's which are now leading the power projects business globally.
- Industry sector is another focus for us with new projects and existing requirements coming up in Thailand, Indonesia, Vietnam and Malaysia (specifically Palm Oil). We are also focused on Japan mostly with the EPC's there for global Petrochemical project requirements.
- We are focused on Thailand, Vietnam and Sri Lanka for municipal and irrigation requirements.

'Service' – this is the most important driver of growth and remains on top of our agenda. Kirloskar pumps have been operating in the region for over four decades and this creates a considerable population base for us; this is in addition to over 7,000 fire pump installations established in the region by our UK subsidiary company, a global leader in listed fire pumps, be it for commercial or industrial requirements. We see our Service business growing exponentially in the coming years and this we expect to add to our pump sales as well.

Q. In terms of competition who are the major competitors? Are Chinese companies a challenge for you? How does it help being an Indian company with a long legacy?

Competition, be it in South East Asia or other global regions, remains the same given that all global pump manufacturers are present at all locations. However, we do see country supplier preference which is relevant in our business outlook. Coming to the Chinese challenge, we do not view this as a serious threat (as yet) in the technologically advanced product requirements. Yes, there are serious competition and price pressures we face for our small pumps division. We do not dilute product features to meet price pressures as we are able to position our

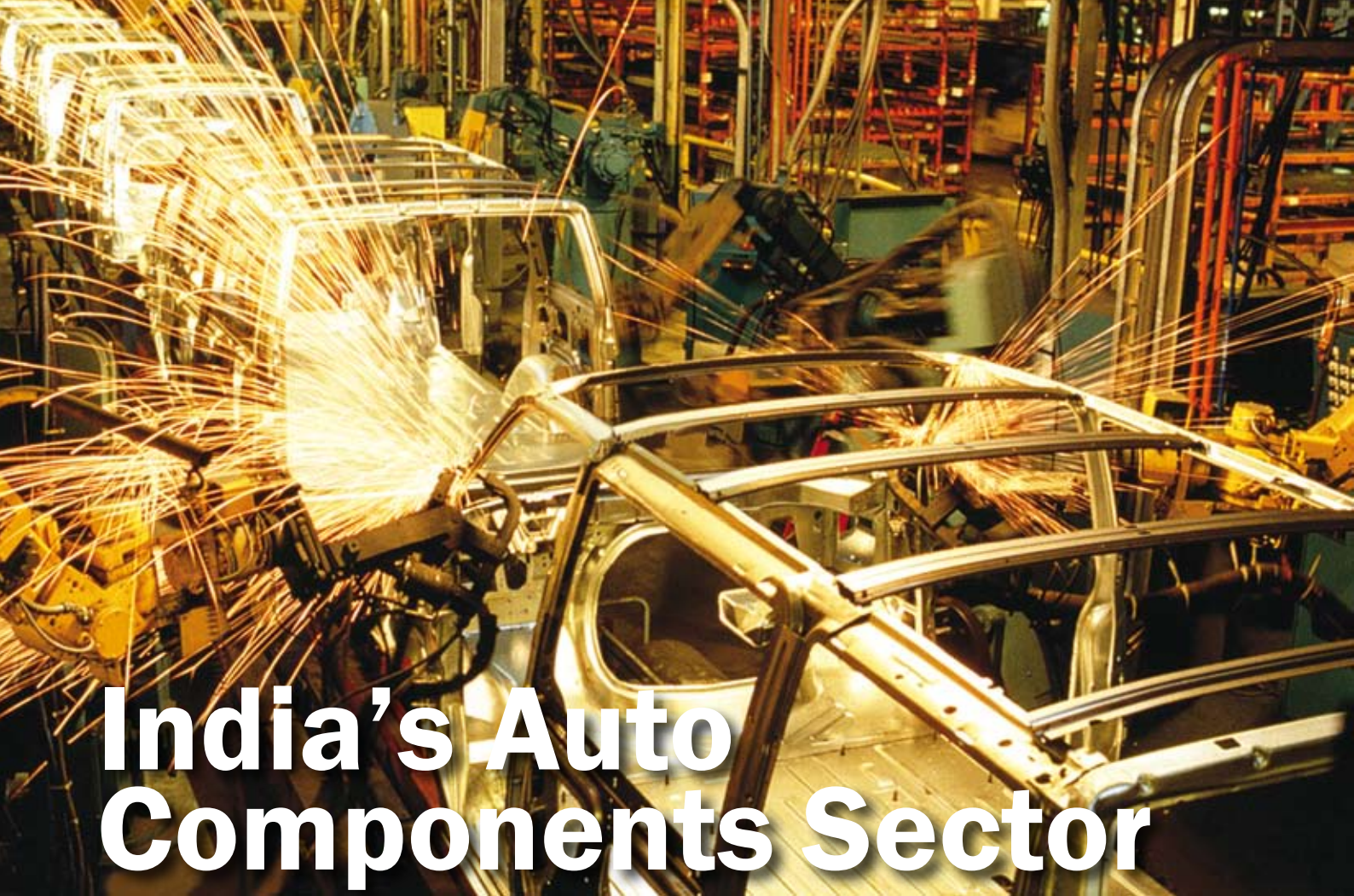
better value proposition in the market. On the other hand, on the engineered products for special applications, which are technologically advanced, the Chinese products are not cheaper. There are costs involved in manufacturing such products and typically these products carry an extended warranty to meet high demand operating conditions. We do have Chinese manufacturers bidding for such requirements but we don't see the low prices which we experience with the small pumps market.

And this brings me to answering your question on our legacy as a leading and reliable Indian company. The very fact of our existence of over 100 years with an established customer base is something we proudly tell all our customers. We are one stop solution provider of pumps and pumping systems, with fully equipped research and development facility, backed by 13 manufacturing plants producing products as per international standards and supplying to 80 countries across 6 continents. To name a few customers; Bechtel Power Corporation - USA , Ferrostaal AG - Germany, Maire Engineering - Italy, ENGIGAS - Portugal, Ministry of Public works - Republic of Suriname, Pelubang Water Supply Scheme, Public Utility Board - Singapore, Ministry of Agriculture - Republic of Senegal, Royal Irrigation Department - Thailand, Japan Gas Company (JGC) and Hunter Water Corporation, South Wales – Australia.

Q. What is your vision and immediate future plans?

I have already explained the future plans for Kirloskar Brothers Limited in Thailand and South East Asia. We will expand our operations and grow our market share. We have worked out a 5-year business plan which talks about our present baseline position, our initiatives and business aspirations, and we will continue to implement and monitor this.

On our Vision, we want to regain our status as one of the leading pumps suppliers in South East Asia driven by quality commitment, technologically advanced products and service. Our aim is to be among the top 5 pump companies in the world. South East Asia is therefore an important growth centre for us.



India's Auto Components Sector

In Good Times!

The Indian auto component industry is driven by a booming domestic automobile industry. The US\$30 billion plus auto parts industry is riding on high domestic demand and recorded the highest year-on-year (y-o-y) growth of 34.2 percent in 2010-11 and grossed US\$39.9 billion as revenue. Its major contributor was exports at US\$5 billion; fresh investment in the sector was to the tune of US\$2 billion.

The Indian auto component manufacturers have proved their mettle in product-development by providing genuine, reasonably priced automotive parts to auto companies across the world. This has made India a major global outsourcing hub in this field.

Pune, Rajkot, Coimbatore and Gurgaon are the leading manufacturing centres for auto components. Global best practices were introduced into the sector through UNIDO Partnership Programme, which was a joint programme by the United Nations Industrial Development Organisation (UNIDO) in partnership with the Government of India and Automotive Component Manufacturers Association of India (ACMA). This helped in strengthening capacity utilisation

of small and medium auto component suppliers to address the requirements of vehicle manufacturers; enhance productivity and performance levels to facilitate inclusion in the domestic as well as global automotive supply chains.

End User Segments

Two and three-wheelers, passenger cars and commercial vehicles are the backbone of the demand for domestic auto parts industry. In product mix, engine parts with 31 percent market share leads followed by drive-transmission and steering parts at 19 percent. Other important products include body and chassis parts; suspension and breaking parts equipment, and electrical parts.

Exports

Europe is the Indian auto part industry's major export destination with 36 percent share, followed by Asia (28 percent) and North America (23 percent).

The state of Gujarat is emerging as India's Detroit with more auto makers preferring to have a base in the state. The trend started with the red carpet for Tata Nano. Auto giants like Ford Motor and Peugeot Citroen have lined up investments worth US\$2 billion in the

state. Rajkot in Gujarat is a big hub for auto parts with 500 plus auto component manufacturers based there. Of them 50 percent supply parts to OEMs and the rest are small and medium enterprises (SMEs) supplying to the retail market. The industry in Rajkot makes more than 300 types of auto parts.

R&D and Investments

Indian auto-component manufacturers are focusing more on research and development (R&D) for a higher competitive edge on the global map. With technological innovations becoming the major driver for growth,





metal components for the domestic car market. ZF Hero Chassis Systems is a joint venture (JV) between Hero Motors and German auto component major ZF.

Government Initiatives

The Government of India is forming a National Automotive Board (NAB) to look into the issue of recall of vehicles and improvement in manufacturing standards. The proposed body will oversee technical and safety aspects of all vehicles, and will be comprised of representatives from all nodal ministries and automotive bodies such as the Automotive Research Association of India (ARAI).

Future Prospects

According to industry experts, the Indian auto component industry will

companies are working to improve their resource efficiency, and deploying lean management mechanisms. Already the Government of India is trying to increase the expenditure on R&D to 2 percent of the GDP by 2012, which is currently 0.8 percent in GDP as a whole.

In a first-of-its-kind public-private partnership, automotive components manufacturer Tata AutoComp Systems Ltd signed a MoU with the Government of Gujarat for imparting vocational training to rural youth to widen their employment opportunities. The agreement will address the issue of shortage in skilled manpower faced by auto industry and revamp the State's Industrial Training Institutes (ITIs).

India's largest headlamp maker Lumax Industries will be investing Rs 150 crore (US\$30.86 mn) to set up three green field manufacturing units while Jay Bharat Maruti (JBM) will be investing Rs 500 crore (US\$102.86 mn) in the next two years to expand capacities across all facilities. Hero Honda is set to become the one-and-only international supplier of gearboxes for BMW's motorbikes for domestic as well as foreign markets.



ZF Hero Chassis Systems, which currently supplies axle assembly to General Motors India, is in talks with Suzuki and Honda to supply components in India. ZF Hero Chassis Systems will also invest Rs 100 crore (US\$20.57 mn) to set up new plant in the country, most probably in the National Capital Region to produce chassis frames, axle systems and sheet

cross US\$100 billion mark by 2020, with a 15 percent rate of annual growth. Its share in the global market will increase more than 3 percent by 2015-16. The Automotive Component Manufacturers Association of India expects exports to be around US\$29 billion by 2020-21 with 18.8 percent growth rate in the decade of 2011-21.



Global company - global understanding.

As the world's largest Polyester producer, Indorama Ventures Public Company Limited has been Thailand's fastest and truly global growth story. Our stress is on diversity and sustainability.

Diversity across geographical regions followed by diversity of product offerings has created a strong basis for future growth. Entry into the fast-growing post-consumer PET recycling business and green products ensures long term sustainability.



For further information
 Contact: The Investor & Corporate Communications Department
 Indorama Ventures Public Company Limited
 19102 Ocean Tower 2, 37th floor
 Soi Sukhumvit 19 (Watana)
 Bangkok 10110 Thailand
 Tel: +662 661 6661 ext 6883
 www.indoramaventures.com



Global company - global understanding.

As the world's largest Polyester producer, Indorama Ventures Public Company Limited has been Thailand's fastest and truly global growth story. Our stress is on diversity and sustainability.

Diversity across geographical regions followed by diversity of product offerings has created a strong basis for future growth. Entry into the fast-growing post-consumer PET recycling business and green products ensures long term sustainability.



For further information

Contact: The Investor & Corporate Communications Department
Indorama Ventures Public Company Limited
75/102 Ocean Tower 2, 37th floor
Soi Sukhumvit 18 (Wattana)
Bangkok 10110 Thailand
Tel. +662 661 6661 ext 680
www.indoramaventures.com

INDORAMA
VENTURES

Indorama Ventures Continues to Seek Opportunities at the Global Level

Indorama Ventures started in 1995 as Thailand's first manufacturer of polyethylene terephthalate (PET)—a resin commonly used in the manufacture of drinks bottles and food packaging has emerged as a global player. Over the years, the company entered forayed into the Polyester Fibress and Yarns space with its own upstream facility to produce its major feedstock, Purified Terephthalic Acid (PTA).

As the world's largest Polyester value chain manufacturer today, with revenue of over US\$6 billion, the company has set in motion a management gain plan and successfully identified opportunities for brown-field and value-added growth within the polymer space. All of this has helped to improve its underlying profitability while staying true to its core business.

Presently, the company has set its sights on ranking amongst the top 20 chemical firms in the world, while being acknowledged already that it is among the top power players in the global chemical industry. To support this goal, the company fashioned a grand master plan in 2010 that it calls its Aspiration 2014, budgeting US\$3.8 billion in investments and targeting a capacity of 10 million tons and revenue of over US\$10 billion.

Mr. Alope Lohia—Man with a Mission

The founder, chief promoter of Indorama Ventures, and group Chief Executive Officer, Mr. Alope Lohia understands the challenges facing the company during tough economic times, however, he maintains that the core global PET segment growth of 7 percent annually is still valid due to the company's placement within the fast-moving consumer goods sector, providing affordability for packaging and apparel among other end uses.

"While we have become accustomed to swings in local or regional economies, our global footprint enables us to retain a balance of returns across our portfolio. We are seeking more footprints into the urbanised emerging economies with fast-growing populations that will feed the demand growth well into the future," he says. However, the industry is highly competitive, so he feels that everyone in the organisation needs to stay on top of the game. As he puts it, "At this time, arrogance and complacency are anathema to us."

Lohia believes that his volume strength will enable him to vertically integrate for a larger share of value and his recent investments to broaden his portfolio by investing in R&D and recycling are expected to provide premium margins.

Industry Trend

The industry today is moving in an interesting and innovative direction, from the commoditisation of PET and Polyester to composites of polymers which address specific functionality and performance. Indorama Ventures, being the industry leader, trusts that consolidating the most valuable pieces of the Polyester industry that is actively engaged in innovation and application development and creating a unique global footprint to serve the customers in the non conventional



"We believe the real potential of polyester has not yet been fully unlocked"

Alope Lohia, founder and group CEO of Indorama Ventures

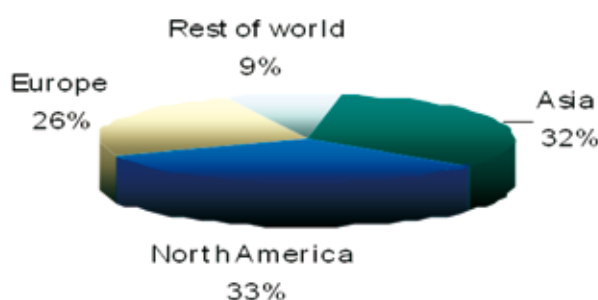
segments like hygiene, automotive materials, Geo Textiles, composites and functional products will lead to a continuous improvement in returns over time.

"By unlocking this value in the polyester chain and creating a lead over the competition through what is today a unique business model the company can unleash the latent potential of polyester and related polymers. This can only be achieved through continuous investment in application development to serve the evolving demands of global customers," Lohia notes.

Big in Thailand

Indorama Ventures today stands as Thailand's largest family-led petrochemical firm and with a market cap that rose by

Revenue by Region, 9M-2011



Through careful investments, Indorama Ventures maintains a balanced portfolio among the world's major markets that enables it to rise above fluctuations in any one market.

400 percent since its listing in February 2010.

Aloke Lohia's growth strategy was to lead through acquisition, buying the distressed or poorly performing polyester assets of larger corporations like Eastman Chemical, Invista and SK Chemicals globally and turning them around in record time to become the world's largest manufacturer in the space of three years.

For an industry that has become more commoditised over time, standing out may have been a challenge but Lohia points to the company's strong low cost leadership and ability to serve customers on a global basis that makes it the one to follow in the industry. He feels that companies can only succeed if they have dedicated people who will look after the assets.

"In fact, there is no secret except hard work and an experienced management team," he says. "We have been fortunate in that whenever we acquire a business operation, we have managed to retain top-quality operations management who are the key component to success. Everyone here learns to reach out to our stakeholders, whether employees, customers, suppliers or bankers to ensure they are comfortable with us at all times. I call this our human touch."

As the business growth leads the company into greater geographical diversity, potential markets are those where his customers are demanding greater volumes. While eyeing the Middle East as a potential investment area due to its access to low cost raw materials and easy entrance to Russia and the former



Thailand's TPT was acquired by Indorama Ventures in 2008 to ensure it would continue to have a reliable supply of its most important raw material, PTA. The ability of Indorama Ventures to acquire poorly performing businesses and turn them around quickly to profitability continues to amaze investors

Soviet Union states, Lohia is also keen to invest in fast-growth markets like India where the future potential is massive. "The lure of India is obviously very strong," he says. "I think it is just a matter of timing."

Global Presence

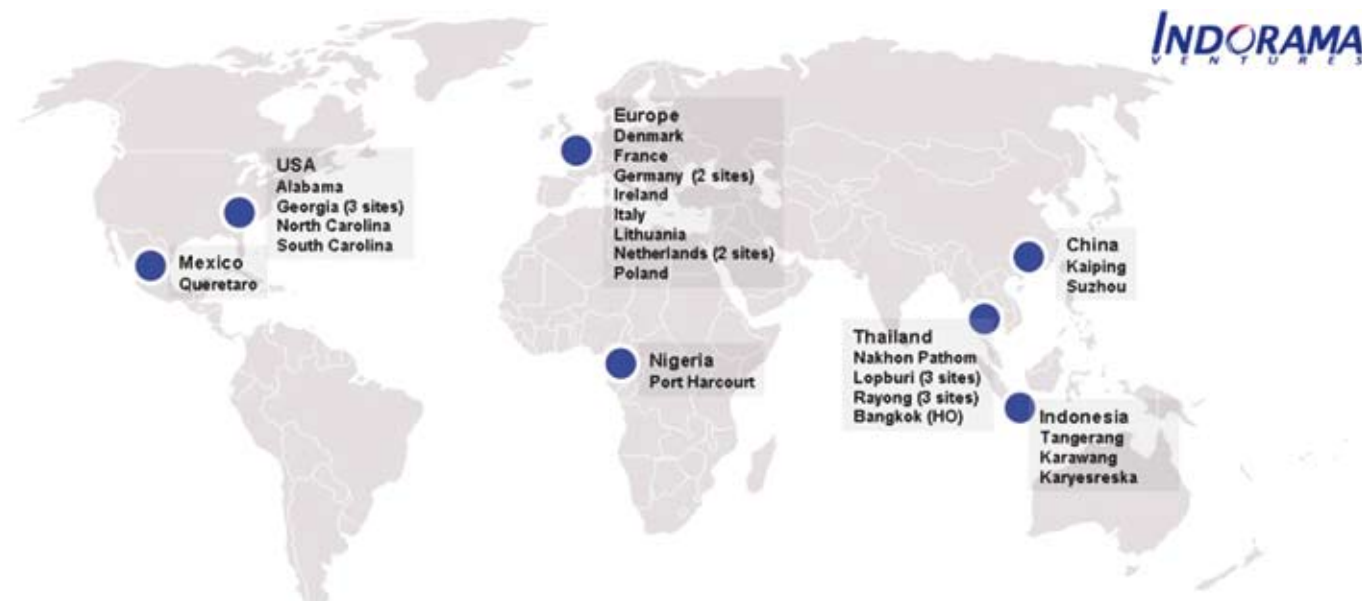
Today, Indorama Ventures geographical footprint covers four of the largest and most populous continents, Asia, North America, Europe and, with a new investment in Nigeria, the African continent. Looking for sustainability over the long term, Lohia has commenced further diversification of its portfolio by entering into the recycling of post-consumer PET and Polyester, constructing a PET recycling plant next to his massive PET facility in Alabama in the United States and the recent acquisition of Europe's largest PET recycler, Wellman International.

"The fundamental rationale behind the entry into recycling is to create a larger, stronger and more sustainable business

that will enable our customers to hit their own sustainability targets," he explains. "The Wellman International technology is really among the most advanced in the world and may enable us to create a global transfer of technology to take us on the eventual path to zero waste. Being able to create materials from waste is a goal that could potentially lower our dependence on the crude oil chain."

As Indorama Ventures continues its ride, the company CEO sees potential around every corner; the potential to maximize efficiency and improve competitiveness; to quickly see the potential for accretive acquisitions and act on the turn of a coin. Through all this, he has never forgotten how he reached this position.

"The decision to make my base of operations Thailand has never brought me a moment's regret," he muses. "It is a fantastic country to run a global business from."



Indorama Ventures' unique global footprint and integration into its major feedstock, PTA, enables to company to achieve the economies of scale required to put it into the lowest cost quartile of the Polyester value chain in each market. High-tech acquisitions in Europe and North America will enable to the company to transfer technology among its businesses and provide for intellectual property that can be used in the developing world.

India's Petrochemical Sector

Fillip in Growth from Spurt in Manufacturing



The petrochemical industry is a big supplier for manufacturing industries such as Pharmaceuticals, Construction, Agriculture, Packaging industry, Textiles and Automotives.

The Indian petrochemicals industry is growing at 14-15 percent per annum according to market research group BMI and will also maintain the momentum in the medium term. The top players in India's petrochemical industry are Reliance Industries Ltd. (RIL) Indian Petrochemical Ltd. (IPCL), Gas Authority of India Ltd (GAIL), and Haldia Petrochemicals Ltd. (HPL).

According to market forecasts, India's polymer production will accelerate in the next five years under expanded capacity. By 2015, India's combined olefins capacity will cross 16 mln TPA, while that of polyolefins will be above 13 mln TPA. Only the PVC capacity may stagnate but PE capacities will grow more than 80 percent.

FDI

India allows 100 percent foreign direct investment (FDI) for projects in the petrochemicals sector. The setting up of a series of Special Economic Zones (SEZs) and a number of petroleum, chemicals, and petrochemical investment regions are a



big shot in the arm for the sector. India's refining capacity is expected to rise to 210-225 MMTA in 2011-12, opening up higher availability of 8-10 MMTA of naphtha. This has prompted petrochemical majors to announce many downstream expansions in naphtha crackers.

India's Capacity

India has three naphtha – and three gas-based cracker complexes with a combined annual capacity in ethylene

for over 2.5 MMTA. Further there are four aromatic complexes with a combined Xylene capacity of 2.9 MMTA. Polymers account for 60 percent of total petrochemical production.

Feed Stocks

Petrochemicals are basically the downstream products of the oil and gas industry. They use the raw material known as feedstocks from the refineries: naphtha, components of natural gas such as butane, and byproducts of oil refining processes such as ethane and propane are part of them. The feedstocks are then cracked to obtain the building blocks of the industry such as olefins, that are mainly ethylene, propylene and the C4 derivatives, including butadiene and aromatics, mainly benzene, toluene, and xylenes. These products are processed for making a wide variety of consumer and industrial products.

Paradigm Shift

To face the challenges, the Indian petrochemical industry is crafting new strategies. The present petrochemical feedstock scenario needs more reinforcements. So harnessing India's enormous strength in other areas are coming up as an option for more cost effective means of production in the years to come. Examples like molasses based derivatives; Jatropha based vegetable oil/fuel; large scale cultivation of edible crops; production of sea-based chemicals from sea water and brine; more capacity creation in nuclear power projects; and setting up of coal bed methane gas projects, are emerging as possible options to experiment.

In a nutshell, the future of the Indian petrochemicals industry is bright because of high domestic demand.

PLASTICS: Big Growth in Sight

The Indian Plastics Industry is growing at a rate of 12 percent and may convert India the third largest consumer of plastics by 2013. Packaging, Electronics, Telecommunication, Infrastructure, Transportation, Healthcare and Consumer Durables are the sectors offering great growth opportunities for plastics. In 2010, Global Plastic Consumption was 150 MMT and that of India was 10 MMT.

Despite instability in International prices for polymer materials, India's plastics industry has been consolidating its performance. The outlook is very positive due to capacity expansion in existing petrochemical complexes and new crackers in the country. Reliance Industries Ltd (RIL) leads with 75 percent share in Indian Petrochemical Cracker capacity, followed by Gas Authority of India Ltd. (GAIL) and Haldia Petrochemicals Ltd (HPL). Indian Oil Corporation (IOC) has also stepped in with a naphtha cracker plant at Panipat and another unit in Chennai for both naphtha and styrene.

The Indian plastic processing industry is highly fragmented and is comprised of 25,000 firms. Barring 15 percent of the firms, the remainder of the crowd are running medium scale operations. The top 100 players account for 20 percent of the industry turnover, but high demand ensures that all excess capacity is absorbed in quick time. Leading organised sector players include Nilkamal Plastics Limited and Supreme Industries Limited.

"To cash in on global opportunities, the Indian plastic processing sector needs to consolidate further, reap economies of scale and become competitive," asserted Ashok Goel, president, Plastindia Foundation.

Going by the current trends, the number of processing units is expected to increase by 33 percent to 40,000 units. According to a report by global analytical firm CRISIL, the world trade in plastics is expected to reach 140 MMT in 2012, providing a lucrative opportunity to India.

Indian IT & ITeS Sectors

Good Growth and Promising Outlook

By G. Kalyan Kumar

India's flagship IT industry continues its onward march as a key contributor to India's glory on the global map as a major knowledge-based economy and outsourcing hub.

The IT Industry is 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.

Exports

"In the current financial year, India's software and services exports are growing 16-18 percent, according to industry body NASSCOM. It foretells export revenue of US\$68 billion to US\$70 billion for the sector in fiscal 2012. This fiscal, the actual revenue from software export will be US\$59 billion," NASSCOM said.

This indicates that both IT sector and IT enabled Services (ITeS) are on a high

growth path, and are recovering from the impact of global slow down.

In Business Process Outsourcing (BPO) sector a paradigm shift is in sight. The transition is from volume-oriented proposition to value-oriented proposition by way of expanded portfolio of services and substantial high-end solutions in Data Analytics and Legal Process Outsourcing.

Core Strengths

A research by Gartner reiterates India's place as the undisputed leader in the outsourcing space. India's prized resource is its massive technical manpower and the English-speaking scientific professional workforce in the world, which is, second only to the US.

India is estimated to have over 4 million technical workers; over 1,832 educational institutions and polytechnics, that train more than 70,000 computer software professionals every year.

Metrics

The rising number of Internet users in India is creating huge market opportunities for global vendors. The user growth swelled

to more than 100-million in September 2011; a 13 percent growth over last year's 87 million. According to a Report by the Internet and Mobile Association of India (IAMAI) co-prepared with IMRB, "India's internet population will grow to 121 million by December 2011. India's broadband subscriber base is 12.69 million in August 2011".

After personal computers (PCs) and laptops, it is the turn of tablets to be the major competitive avenue with all vendors racing to launch more affordable devices in the Indian market. The second quarter of 2011 witnessed the release of the iPad2 in India in fewer than 50 days after its US launch. Samsung is eyeing 40 percent share in the Indian tablet market in 2012.

In the Enterprise software segment, US giant Oracle attracted 7,000 clients across the Indian government and private sectors.

Cloud Computing

Indian IT companies like Infosys, TCS, Wipro, HCL and Mahindra Satyam are developing more technologies to entail cloud computing applications and



solutions for various segments ranging from financial services to manufacturing. Cloud computing has caught the imagination of most organisations as the technology offers lower operational costs, scalability and mobility at every level. Indian companies are increasingly adopting 'hybrid cloud' (a mix of private and public cloud) to address concerns of data privacy.

Indian businesses and government agencies are expected to create huge demand for guidance in the usage of cloud computing services. There are already more than 50 cloud computing service providers in the Indian market. Indian internet services providers (ISPs) and Data centre service providers include Bharti Airtel, Sify, Trimax, and NetMagic who are investing applications and bandwidth to support the new cloud service offerings.

NTT Communications Corp plans to invest US\$1.58 billion in Europe and India over 2011-15 to develop its cloud computing business at a faster pace while AWS, the world's largest cloud-based service provider, is projected to become

the online retail giant's Amazon's next most-profitable business in India.

Soaring e-Commerce

India's US\$10 billion e-commerce market is also expanding exponentially and clocked 47 percent growth in 2011 as internet penetration is rising. As excitement is rising about the industry, new investments to the tune of US\$200 million have come to the Indian e-commerce start-ups in the last couple of years.

Thanks to the robust growth, e-retailers, who want to focus on their core functionalities, are expected to create new markets in outsourcing of back-end operations such as customer care, order processing, invoice processing, finance and accounts and emerge as a substantial source of revenue to BPOs.

Retail brands are expected to bring a greater transformation in online space. Women's apparel retail brand Biba and tyre brand Bridgestone went online recently. IAMA expects online advertising to increase by 30-40 percent in 2011-12 on the back of the increased

internet usage by retailers.

New Developments

Google along with its partner web hosting firm HostGator announced free web domain names for small and medium businesses (SMBs) in India to boost internet usage. As per the offer, the company will maintain the websites for a year free of charges and by the end of the first year, users will be asked to pay a nominal fee to renew their domain name.

India is home to 8 million SMBs of which, half a million have a website and 100,000 have active online presence, said Google. Hence, the market offers a great potential for growth.

Government Initiatives

The government of India has taken many steps to accelerate growth of IT & ITeS sector. In 2011, the Ministry unveiled many e-governance initiatives to facilitate roll out of mobile governance and electronic service delivery bill.

More funds have been allocated to connect Indian villages and classrooms across the country with knowledge centres for providing broadband connectivity to all village panchayats by 2012.

The Government is targeting higher investments for IT sector in smaller cities and raise software services grow to US\$300 billion by 2020. The government also wants to increase the IT exports from the current US\$59 billion to US\$200 billion by 2020. The projections are quoted in the draft National policy which states that the government will endorse innovation, research and development (R&D) in advanced technologies and application development in areas such as Cloud computing, Mobile value-added services and Social media.

The policy seeks to employ an additional 10 million skilled people in the IT sector where the existing manpower strength is 2.5 million of skilled people.



Global company - global understanding.

As the world's largest Polyester producer, Indorama Ventures Public Company Limited has been Thailand's fastest and truly global growth story. Our stress is on diversity and sustainability.

Diversity across geographical regions followed by diversity of product offerings has created a strong basis for future growth. Entry into the fast-growing post-consumer PET recycling business and green products ensures long term sustainability.



For further information
Contact: The Investor & Corporate Communications Department
Indorama Ventures Public Company Limited
19102 Ocean Tower 2, 37th floor
Soi Sukhumvit 19 (Nitelana)
Bangkok 10110 Thailand
Tel: +662 661 6661 ext 680
www.indoramaventures.com

India's Construction Sector

Bracing to Become the World's Third Largest Construction Market

India's construction sector accounts for nearly 7 percent of GDP and is the second biggest contributor (to GDP) after agriculture. It is estimated that there are US\$860 billion worth of construction opportunities in India.

The Indian construction industry clocked a growth of more than 20 percent in the last two years, although growth of the industry declined in the last few years due to the global economic slowdown and the liquidity crunch faced by developers.

A recent global report is quite bullish and says that India is set to become the third-largest construction market in the world. The forecast is in *Global Construction 2020* published by *Global Construction Perspectives* and *Oxford Economics*.

According to the report, by year 2020 India's construction market will be worth almost US\$650 million and will constitute 5 percent of the world's total construction output. Only China and USA will be doing better than India. With the expected average economic growth of 8.5 percent India's GDP will turn US\$1.4 trillion by 2017 and US\$2.8 trillion by 2027. This will fuel further growth in the construction sector.

Infrastructure has been the focus of all Union budgets in recent years. Since Construction accounts for nearly 65 percent of the total investment that goes into infrastructure, it is logical to expect the construction sector to become the biggest beneficiary of inflows into the core sector in the next five years.

Funding earmarked for the national highways increased by 23 percent in 2011 compared to previous year's budget, while funding for railways went up by 45 percent. The Power sector got a massive allocation that was up by 160 percent from the previous year.

According to a credit research agency, CRISIL, India's Roads sector will be the primary growth driver in construction. Thus roads, irrigation and urban

infrastructure will constitute 72 percent of total construction expenditure in the next five years. A combination of higher government funding and public-private partnerships is driving more investments in construction projects pertaining to the infrastructure sector.

Foreign Direct Investment (FDI)

In tune with the opportunities in the sector, foreign direct investment has also been moving up in following areas:

Real Estate: Residential (Housing & Development); Industrial (Industrial Parks, Factories, Plants etc); Corporate (Offices, Research Centres); Commercial (Retail – Malls, Shops, Showrooms; Hotels, etc)

Infrastructure: Roads; Railways; Urban infrastructure; Ports; Airports; Power etc.

Booming Real Estate

India's Real Estate sector is witnessing a revolution on the back of a booming economy; favourable demographics



and a liberalised FDI regime. Growing at a healthy 30 percent, real estate is a lucrative area of investment for domestic as well as foreign investors. It is further

linked to about 250 ancillary industries like cement, brick and steel through backward and forward linkages.

According to a study 'Housing Skyline of India', by Indicus Analytics, the demand for housing in urban India will be over 24.3 million by 2015. This throws up huge investment opportunities. The rapid growth of the economy is also fuelling huge demand for commercial properties in terms of modern offices, warehouses, hotels, malls and retail centres. The growth in commercial office space is led by the outsourcing and information technology (IT) industries and organised retail. For example, IT and ITeS consumed 150 mn sq. ft of office space across urban India in 2010. Similarly, organised retail used 220 mn sq. ft space in the last year.

Opportunities

The national housing shortage of 41 million units is a big opportunity for investors in construction and real estate. Similarly the retailing sector is booming. Water supply and sanitation projects offer scope for annual investment of US\$4.27 billion.

The booming infrastructure sector is fuelling demand for all kinds of construction equipment. With more and more skyscrapers coming up in cities like Mumbai and Delhi; thousands of kilometres of expressways and highways are being laid across the country; the builders and contractors are acquiring sophisticated equipment to execute the multi-million-dollar projects. The construction equipment sector is also enjoying the growth of the construction sector.



Government Initiatives to Boost Growth in Construction

- 100 percent FDI allowed in realty projects through the automatic route;
- 100 percent FDI for development of integrated townships in India;
- For integrated townships, the minimum area requirement reduced to 10 hectares from 40 hectares;
- Urban Land Ceiling and Regulation Act, 1976 (ULCRA) repealed by many states;
- Enactment of Special Economic Zones (SEZ) Act;
- Full repatriation of original investment after three years;
- Allowing 51 percent FDI in single brand retail outlets and 100 percent in cash and carry through the automatic routes.



India Tourism Incredible India Beckons!

Indian Tourism is all about exploring India's natural beauty, exotic diversity, history, folk art, tribal crafts, ancient rituals and traditions spread in its exotic beaches, palm-fringed backwaters, mist-clad hill stations, lush tropical forests, stark desert landscapes and wildlife in a dazzling display of colour, harmony and diversity.

India's hotspots in tourism start with the mighty Himalayas that guard the country in the north and that spread in thousands of places in the landmass that meanders into the two seas and oceans of the east, west and south.

World over tourists treat India as special because its platter is sumptuous – refreshing hill stations; fascinating beaches; enchanting wellness resorts; fastidious backwaters; melodious historical places; thought-provoking forts and monuments; proud cultural sites; dazzling houseboats; pleasure filled luxury hotels; royal splendour at heritage hotels; picturesque landscapes; well defined pilgrim circuits and what not. India is a hot destination for niche the visitor looking for MICE, leisure holidays, honeymoon holidays, wildlife

tours, beach vacations, adventure vacations, pilgrimage tours and heritage tours for whom custom made packages are in circulation.

India's globally famed frontline destinations include: Delhi; Mumbai (Bombay); Calcutta; Jaipur in Rajasthan; Agra, Gujarat; Goa; Kashmir; Mussourie; Uttarakhand; Darjeeling; Kerala; Khajuraho; Mysore; Bangalore; Kodaikanal; and Mahabalipuram in Tamil Nadu.

Destination Award

Indian destinations offer incredible touring and holidaying experience. In fact, India was awarded globally for the 'World's Leading Destination' in London at the World Travel Market 2011. The award for World's Leading Tourist Board also went to India. Receiving the award in London in the month of November 2011, India's Tourism Minister Subodh Kant Sahai said India has set the target to attract another five million over the next two or three years. Sahai said that the aim was to increase India's share in the international tourist arrivals from the present 0.6 percent to 1 percent – one billion travellers – by the end of 2016.

India's hotspots in tourism start with the mighty Himalayas that guard the country in the north and that spread in thousands of places in the landmass that meanders into the two seas and oceans of the east, west and south

Rejuvenation

The voyage to Indian heritage is incomplete without seeking mental peace and rejuvenation. India transforms and redeems the guest who comes to her lap; the myriad mental images that can be formed by the spiritual ecstasy emanating from the camphor of many faiths expressed in various festivals and melas including the magnificent Kumbh Mela.



Kumbh Mela, Haridwar

India is home to numerous UNESCO designated World Heritage Sites like Hampi, Konark and Khajuraho, or the breathtaking Ajanta and Ellora Caves—one of the finest expressions of Indian artistic endeavour ever.

The tourists can ruminate over the ramparts of ancient forts and palaces that have withstood the test of time and tragedy. He can also get stupefied by the splendours of Buddhist architecture in Sanchi, or the Mahabodhi Temple Complex at Bodh Gaya; both designated as 'World Heritage Sites' by UNESCO; or be enthralled by the excavated site in Nagarjunakonda—the most extensive remains found anywhere of the international heritage of Buddhism—containing innumerable relics ranging from early Stone Age to the late medieval period.

The guest can amazingly moon over the gracious confluence of Mughal and Indian craftsmanship in Agra and elsewhere; or marvel at the magnificent Victoria Terminus in Mumbai—exemplar of the Indo-Saracenic style that flourished during the British Raj.

Unending Delights

Be dazzled by Goa's Churches and convents, and perhaps sneaking in some time to soak up some sun on one of its idyllic beaches. Relax in the tranquil backwaters of Kerala—renowned for its ancient heritage of Ayurvedic treatments and spas—where blue waters converge across verdant paddy fields and tall coconut palms sway in the misty rain wondering whether Earth has snatched a fistful of rainbow from the sky. Also indulge in the melodic

strains of Indian classical music, which traces its origins to hymns contained in the ancient sacred texts, the Vedas (4000-1000 BC), and evolving with Sage Bharata (c. 200 AD), perhaps the earliest known Indian musicologist, enunciating the navarasas (nine emotions) –love, humour, pathos, anger, heroism, terror, disgust, wonder and serenity. The 'great-outdoors' can include the rugged natural beauty in numerous national parks and sanctuaries, which are declared world heritage sites such as Kaziranga, Manas, or Keoladeo among others.

Princely India

If the craving for mental thrill does not subside, tap the Forts and Palaces of Princely India, some of which are now Heritage Hotels. Relive India, as it were, and see history through the eyes of these rare still-standing witnesses as perfect ensembles of India's cultural



heritage and custodians of its history. They conjure up enthralling visions of a bygone era's grandeur accompanied by a sense of nostalgia to sojourn in the era that is never to return.

There is also the opportunity to relive that period and be spoiled; be pampered, and even if only for a fleeting, transient moment in history—be royal? There are umpteen heritage hotels that make you relive, albeit vicariously, the lives of Royals; to exhume their aura and revel in 'regality'.

Soak in the luxury and opulence that was once the purview of Royalty. Sleep where the King slept; regale yourself with a royal repast on a silver platter; walk the corridors of erstwhile power; stalk the rooms where every wall has a tale to tell; and be allured by the romance, treachery, plot and connivance that was part and parcel of the palace intrigue.



Victoria Terminus, Mumbai

Live the heritage, and the phrase 'Live Life King Size' will never ring truer!

Beaches

India's natural beauty overwhelms anyone at the umpteen beaches that crisscross India's 7000 km long coastline. Revel at the nature's gift by lying on the smooth sandy beaches and soak in the warmth of the sun, or take a quiet walk barefooted to craft a great experience to calm the body. Most beaches have the cover of reputed hotel chains and resorts. They range from tropical beaches with silver or golden sand to coral beaches of Lakshadweep; Goa, Kerala, Andhra Pradesh, Gujarat, Maharashtra and Tamil Nadu.

Adventure Tourism

For the adventurous, nothing beats India as a perfect destination. Snow capped Himalayas, erratic streams, safaris, water sports, elephant safaris, mountaineering, skiing, gliding, trekking, river rafting, etc are breathtaking.

The snow-capped mountainous of the Great Himalayas are ideal for adventure tourism. Jammu and Kashmir, Himachal Pradesh, Uttaranchal, Sikkim, and the upper fringes of West Bengal, are part of Himalayan mountainous region and the finest zones of adventure tourism.



India's natural beauty overwhelms anyone at the umpteen beaches that crisscross India's 7000 km long coastline. Revel at the nature's gift by lying on the smooth sandy beaches and soak in the warmth of the sun, or take a quiet walk barefooted to craft a great experience to calm the body

Enjoy the Royal Train Journey on 'PALACE ON WHEELS'

The Palace on Wheels is a 30-year old luxury tourist train of the Indian Railways to promote tourism in Rajasthan. The train service was refurbished in August 2009 with a new decor, itinerary and cuisine.

The train departs from New Delhi and during its eight day journey, travels around Rajasthan with stops in Jaipur, Jaisalmer, Jodhpur, Sawai Madhopur, Chittaurgarh, Udaipur, Bharatpur, and Agra. In the past, tickets for the Palace on Wheels were restricted to foreign nationals only by the Government of India, however, it was later opened up to Indians as well.

The concept of the Palace on Wheels was derived from the royal background of the coaches, which were originally the personal railway coaches of the erstwhile rulers of the princely states of Rajputana, Gujarat, the Nizam of Hyderabad and the Viceroy of British India.

There are 14 coaches in the train. Each of them is named after former Rajput states and matches the aesthetics and interiors of the royal past – Alwar, Bharatpur, Bikaner, Bundi, Dholpur, Dungargarh, Jaisalmer, Jaipur, Jhalawar, Jodhpur, Kishangarh, Kota, Sirohi and Udaipur. Facilities include a bar with selected Indian and international spirits, a lounge with a



good collection of books, and a television and DVD player.

Each coach has four cabins (named saloons) with twin beds, wall-to-wall carpeting, air-conditioning, DTH satellite television, channel music, intercom, attached toilets, running hot and cold water, and personal attendants. The train has two restaurants, The Maharaja and The Maharani, with a Rajasthani ambience and serving continental, Chinese, Indian and Rajasthani cuisines.



Besides the Himalayas, the Western Ghats and Eastern ghats of South India, and various wildlife sanctuaries and national parks are excellent zones for adventure tourism in India.

Desert Tourism

The eerie beauty of a desert in Rajasthan's Thar attracts millions of tourists from all parts of the world. Thar Desert is also known as the Great Indian Desert stretching into states of Rajasthan and northern Gujarat in an expanse of 800 km in length and 400 km in width.

Jaisalmer town that is mostly sandy or stony, lies at the heart of the Thar Desert. Rising from its sandy stretches is the magnificent fort of Jaisalmer, at city that has earned the place the sobriquet, Golden City. Around 42 km from Jaisalmer is the immensely famous Sam Sand Dunes. A camel safari trip to this place will be a lifetime experience to enjoy the magic of the desert. At the edge of the Thar Desert are cities of Jodhpur and Bikaner.

Undoubtedly, India's charm cannot be captured in a few lines of passionate narrative. There is little exaggeration to say that India wields the magical power to change life in more ways than one ever imagined.

Take the Indian journey now, and be mesmerised....

Flight No.	Destination	Departure	Arrival
FD 3783	Kolkata + Bangkok	12:20	16:40
FD 3782	Bangkok + Kolkata	10:25	11:45

Lowest fares only @ airasia.com

WORLD'S BEST LOW COST AIRLINE 2009 • 2010 • 2011

AirAsia.com

The Mahaparinirvan Express

An Enlightening Train Journey in Buddhist Circuit



and three-tier AC. The hotel stay is on twin sharing basis. For single occupancy, the option has to be specified at the time of booking and the client has to pay applicable supplement cost.

The Mahaparinirvan Express has 72 berths for first AC, 138 for two-tier AC and 64 berths for three-tier AC. Prices vary according to the classes. The fare is half for children between 5 and 12 years of age.

Nepal Visa

The journey will also include a day trip to Lumbini in Nepal; all tourists except Indian nationals will need a Nepali visa. The visa can be procured at the border with two passport sized photographs and with applicable visa fee. It must be ensured that the Indian visas held by pilgrims are double or multiple entry visas, so that return to India is permissible.



Launched in 2007, the Mahaparinirvan Express is an air-conditioned tourist train that takes people on an 8-day tour of places that became milestones in the lifetime of Prince Siddharth, who later became Buddha or 'the most enlightened'. The special train connects all important places of Buddhist pilgrimage in India and Lumbini in Nepal.

Thanks to the origin of Buddhism in India, Buddhists from all across the world frequent India on holy pilgrimages of Buddhism-related destinations. To address the religious aspirations of Buddhists in India and abroad, the IRCTC (Indian Railway Catering and Tourism Corporation Ltd) launched this train exclusively for Buddhist Pilgrimage.

Good Response

According to Railway sources, "The train gets a regular stream of passengers from Thailand, Korea, Singapore, Malaysia, China, Japan, US, Canada, Germany, The Netherlands, Australia and Sri Lanka". The Railways have tied up with all Vipassana meditation centres in the world to promote this route and the train usually runs full.

Service Details

The Mahaparinirvan Express have 2 – 3 departures every month from Sep – April. The destinations covered are Delhi

- Gaya - Bodhgaya - Rajgir - Nalanda - Gaya - Varanasi - Sarnath - Gorakhpur - Khusinagar - Lumbini - Gorakhpur Gonda - Sravasti - Agra (Taj Mahal) – Delhi. The duration of the journey is 8 days and 7 nights.

Package

The tour provides an all-inclusive package, including rail and road travel, accommodation, sightseeing, insurance, and security. Coaches are equipped with modern bathrooms and environment-friendly toilets. Tickets are available in three classes – first class AC, two-tier AC





Train Start Dates (2012) *	
January	21 – Sat
February	04 – Sat
	13 – Mon
	25 – Sat
March	10 – Sat
	24 – Sat
April	07 – Sat
May	01 – Tues
	(Reverse)
* Charter trips also available on request	

and Kushinagar- the place where the Buddha attained Nirvana.

At these places, pilgrims can explore the art and architecture such as Stupas (stone cased moulds that immortalise the relics of Buddha), Chaityas (prayer halls) and Viharas or the cells where the monks live.

Unforgettable

Says a passenger: “It was an unforgettable experience. The train is good, there is tight security and we could safely leave our valuables in the train as the railways provided at least one security guards per coach. The train was also clean and the service were comfortable”.

Concept

Mahaparinirvana is a Buddhist sutra, in which Buddha tells his followers that they can achieve merit and a noble rebirth by going on pilgrimage to some

of the most important places related to Buddhism. The places are Lumbini where the Buddha was Born, Bodhgaya where the Buddha gained enlightenment, Sarnath where Buddha the first taught,

ITINERARY

DAY-I Board train from Delhi from Safdarjung Railway Station: Get on board the Maha-Parinirvan Special at the Safdarjung Station in Delhi as the train is about to leave for Gaya. The dinner will be served on board the train.

DAY-II Gaya: You begin your day with your arrival in Gaya which is a religious city and its proximity to Bodhgaya makes it even more attractive as a destination. Freshen up for the day as we get your breakfast ready onboard. Today you are scheduled to visit the Bodhgaya temples and other attractions. Lunch and dinner will be served at the hotel. Your overnight stay has been planned at the hotel itself. So, have a nice sleep in the soothing environment of Bodhgaya.

DAY-III Rajgir, Nalanda: It is your second morning in the religious city of Gaya and we believe that you are getting into the skin of your spiritual journey. Let's leave for the historic journey of Rajgir and Nalanda after which you'll get back to Gaya so that you can get on with your onward journey to the holy and eternal city Varanasi.

DAY-IV Varanasi: Though you are getting into a spiritual mode by now, yet the fact that will strike you the most is that each of these cities is holy in its own way and that no two days of your journey are same. You'll be transferred to the hotel after arrival in Varanasi. Breakfast will be served at the hotel, after which we'll go for a sightseeing tour of Sarnath. At no time in your journey you'll be inconvenienced by our breaks for lunch and dinner as we have scheduled these in such a manner so that the religious tour is not affected. After the Sarnath leg is over we'll visit the Ganges for the evening Aarti. Leave Varanasi for Gorakhpur in the later part of the day.

DAY-V Gorakhpur, Kushinagar & Lumbini: Train arrives at Gorakhpur in the morning; Proceed to Kushinagar/Lumbini; Check in at the hotel; Breakfast, lunch and dinner; Overnight at hotel.

DAY-VI Gorakhpur & Gonda: Breakfast at hotel; Sightseeing; Lunch at hotel; Return to Gorakhpur; Depart Gorakhpur for Gonda in the evening; Dinner onboard.

DAY-VII Gonda & Agra: Arrive Gonda in the morning; Breakfast; visit Sravasti; Lunch; Depart Gonda for Agra in the evening; Dinner onboard.

DAY-VIII Agra & Delhi: Welcome to the historic city of Agra; Breakfast onboard; Visit Taj Mahal; Depart Agra for Delhi in the afternoon; Lunch on-board; Arrive Delhi (Safdarjung Railway Station) in the evening.



India's Textiles Industry

Dynamic Initiatives to Expand in Markets

At current prices, the Indian textiles industry is valued at US\$55 billion, of which 64 percent caters to domestic demand. The Indian textiles industry enjoys a unique position in the economy thanks to its central role in industrial output, employment generation and export earnings. This variegated industry operates on a grand scale and ranges from the hand-spun and hand-woven sectors to the capital intensive mill sector at the other end.

"The Indian textile industry is a key pillar of manufacturing and is contributing 14 percent of industrial production and 10 percent of Indian exports," says Anand Sharma, Union Minister of Commerce, Industry & Textiles.

Sub-Sectors

The textile industry has the following segments:

- Organised Cotton/Man-Made Fibre Textiles;
- Man-Made Fibre/Filament Yarn Industry;
- Wool and Woollen Textiles Industry;
- Sericulture and Silk Textiles Industry;
- Handlooms, Handicrafts;
- Jute and Jute Textiles Industry; and,
- Textiles Exports.

Trends

The Vision of the Textiles industry for the 11th Five Year Plan aims 7 percent share in the global textiles trade by 2012. To a certain extent, the ongoing Eurozone economic crisis has cast a shadow on the apparel exports from India. Though the United States is showing a marginal recovery, orders from Europe are drying up. India's textile exports are around US\$25 billion. Of this, apparel contributes

US\$13 billion and the remaining US\$12 billion comprises yarn, fabric and made-ups.

"Europe has been the largest buyer of Indian apparels, but Italy and Spain are buying much less. The US market is slightly better than Europe following some recovery in demand. We are expecting a 15 percent crash in apparel exports," says Premal Udani, Chairman, Apparel Export Promotion Council.

According to D.K. Nair, Secretary General, Confederation of Indian Textile Industry, the cotton yarn market is not hit by the slowdown in the US or Europe as the industry relies heavily on exports to Bangladesh, China, Hong Kong and Korea. Apart from the US and Europe, India also exports fabric to Latin American, Southeast Asia and South Asian markets.

National Fibre Policy

To rev up the growth in the Textile industry, the Government formulated a National Fibre Policy and restructured schemes such as Technology Upgradation Funds Scheme (TUFs) and Scheme for Integrated Textiles Park (SITP). The Government doubled the allocation under restructured TUFs from US\$1.5 billion to US\$3.0 billion to catalyse investments in areas like processing, weaving, knitting, technical textiles and skill centres.

FDI

Under the automatic route, 100 percent FDI is allowed in the textile sector. FDI in automatic route implies no prior approval either by the Government of India or Reserve Bank of India. The government also announced many sops for the branded garments sector, besides enhancing duty abatement from 40 to 55 percent.

The textiles industry attracted FDI worth US\$1,011.52 million between April 2000 and September 2011, according to data released by the Department of Industrial Policy and Promotion (DIPP).

e-Commerce

In the last few years, garment e-tailing business has been gaining traction and attracting new investments. The segment is set to grow ten-fold to nearly Rs 6,000 crore (US\$1.33 billion) by 2015, according to a study by management consultants Technopak Advisors. Funds like Tiger Capital, IndoUS Venture Partners, Helion Venture Partners, Sequoia Capital and Accel India have invested in the portals like Letsbuy, Flipkart, Fashion and You, Yehbhi, and Snapdeal.

Maharashtra's first technical textiles park will come up at Ichalkaranji off Kolhapur at an investment of US\$20.8 million. Ahmedabad-based textile company Arvind Ltd. tied up with the major international brand, Geoffrey Beene, llc for apparel and non-apparel products. Geoffrey beene licensed Arvind Ltd to manufacture and market its men's apparel and non-apparel products.

Sops

To boost exports, India's new Foreign Trade Policy (2009-14) has lavished many incentives on the textiles sector to prepare the industry to face uncertainties at the global markets and also to grapple with the pulls and pressures of the domestic market.

A stable policy regime with a multi-pronged strategy is hoped to help in market diversification for sectors that are hit badly by the global recession. The Ministry encourages technological upgradation of all export sectors and aims at further simplification of procedures to reduce transaction costs.

India for FDI

Pull of a Resilient Economy and Simplified Procedures



Globally, foreign investors are upbeat on India's economic resilience that was demonstrated in the healthy GDP growth during the peak of global economic crisis. In the two fiscals of 2008-09 and 2009-10, India's GDP grew 6.8 percent and 8 percent respectively. Those were the periods of extreme turbulence in the western economies, where many registered dismal growth.

Healthy Investment Climate

The post-reforms period of India, since 1991, gave the right pulls in attracting foreign investors who saw liberal procedures for market entry. A foreign firm can invest in India either by floating a wholly owned subsidiary, forging a joint venture with an Indian company, or by setting up a liaison, project and branch office.

Since India is one of the signatories to WTO, FDI up to 100 percent is allowed in most sectors with or without permission from the government. India's apex

bank, Reserve Bank of India (RBI) is the main regulator of foreign exchange transactions which are governed by the Foreign Exchange Management Act (FEMA) 1999.

Intellectual Property Protection

India offers protection for brands and inventions registered in other countries through trademark and patent laws. Generally a trade mark is registered for 10 years and a patent is registered for 20 years. India made certain amendments to the Patents Act 1970, with the introduction of product patent governance.

Double Taxation Avoidance Agreement

India has signed Double Taxation Avoidance Agreement (DTAA) with most countries to avoid the perils of double taxation. The taxes could be on income from royalty, capital gains, fee for technical services, and/or operational profits accruing from India. India also introduced Value Added Tax (VAT)

India offers protection for brands and inventions registered in other countries through trademark and patent laws. Generally a trade mark is registered for 10 years and a patent is registered for 20 years

from 01 April 2005 to bring greater accountability and transparency in sales tax and enforce uniformity in tax charged across the country,



Automatic Route

The government allows FDI in certain sectors through the automatic route, though there could be a cap for the maximum amount of investment. For instance, FDI in airports is allowed up to 100 percent, but anything above 74 percent requires government approval. Again for telecom, FDI allowed is 74 percent, but above 49 percent government approval is mandatory. In recent times more sectors have been opened up for FDI as in 51 percent for retail trade, subject to prior permission. Investment in specified areas like Export Processing Zones, Electronic Hardware Technology Park and Software Technology Park are also included in the gamut of automatic route.

Issue of Shares

For investments under the Automatic Route, the RBI has issued general permission to companies to issue shares to the foreign investor, without any prior approvals. In the 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 03 May 2000) have been substituted

by the words “listed non-convertible debentures/ bonds, commercial papers”.

For investment proposals under the FIPB Route, upon receipt of the FIPB approval, the foreign investor can acquire the shares in the Indian company. However, in both cases, an 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 of 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.

The profits accrued by companies in India are freely disbursable 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, no approval is required from the Government of India or the RBI in the matter of 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 under the aforesaid parameters would require a specific approval from the Government of India, accorded by the Secretariat for Industrial Approvals (SIA).

FDI Circular and New Clarifications

To simplify the rules and regulations pertaining to the FDI policy, the Department of Industrial Policy and Promotion (DIPP) started the exercise of issuing a consolidated FDI policy (the 'Circular') from 31 March 2010 that came into effect from 01 April 2010.

"The FDI Circular is part of the ongoing efforts of procedural simplification and FDI rationalisation to boost investor confidence," says Anand Sharma, Commerce and Industry Minister,

It consolidated all prior press notes/press releases/clarifications are assembled in a coherent order under the current policy framework on FDI. The Government now updates the FDI policy bi-annually through new circulars that will supersede all prior press notes and circulars. The latest was the third edition of the Consolidated FDI Policy Circular on 31 March 2011 and made effective from 01 April 2011. It is also binding to abide by any changes notified by the Reserve Bank of India after the issuance of this Circular.

Important Clarifications of the new consolidated FDI Policy Circular are,

No prior approval needed for existing joint ventures/technical collaborations in the same field: This has been done through deletion of Clause 4.2.2 of the earlier Circular (No. 2 of 2010) which provided that FDI would be subject to the "Existing Venture/tie-up conditions" as stated in sub-clauses of Clause 4.2.2 (basically stating that where a non-resident investor has an existing joint venture/technology transfer/trademark agreement, as on 12 January 2005, new proposals in the same field for investment/technology transfer/technology collaboration/trademark agreement would have to be under the Government approval route through FIPB/Project Approval Board. A discussion paper was released by DIPP last year on the need for review of this condition. Based on stakeholder comments received by the DIPP on its discussion paper, the Government while releasing the FDI Circular 1 of 2011 has in its press release stated that it has decided to abolish this condition.

Flexibility in Pricing of convertible instrument: This was done through an amendment made in Clause 3.2.1 of the Circular, which earlier provided that "The pricing of the capital instruments should be decided/determined upfront at the time of issue of the instruments."

Now it has been added that "price/conversion formula" be determined upfront instead of having to specify the price of convertible instruments upfront, companies will now also enjoy the option of prescribing a conversion formula, subject to the condition that price at the time of conversion should not in any case be lower than the fair value worked out, at the time of issuance of such instruments, in accordance with the prevailing valuation norms. This would help the recipient companies in obtaining a better valuation based on their performance.

Liberalisation of non-cash capital contributions: This amendment has been brought about through additions in Clause 3.4.6 of the Circular. The existing FDI policy provides for conversion of only ECB/lump-sum fee/Royalty into equity. The Government has now decided to permit issue of equity, with prior approval from FIPB, in the following cases, subject to stipulated conditions:

- Import of capital goods/machinery/equipment (including second-hand machinery)
- Pre-operative/pre-incorporation expenses (including payments of rent etc.)



This measure drastically liberalises conditions for conversion of non-cash items into equity and significantly eases the conduct of business.

Hundred Percent FDI in areas of Farm Sector: The new Farm FDI Policy allows 100 percent FDI in Agri services such as development and production of seeds and planting material, floriculture, horticulture, and cultivation of vegetables and mushrooms under controlled conditions. Besides, animal husbandry (including breeding of dogs), pisciculture, aquaculture under controlled conditions and services related to agro and allied sectors have been brought under the 100 percent FDI norm. Similarly, the Tea sector has also been brought under the 100 percent FDI norm. But the DIPP has imposed certain conditions for companies dealing with development of transgenic seeds and vegetables wanting to take the 100 percent FDI route. Under the 100 percent FDI in tea sector, it demands compulsory divestment of 26 percent equity of the company in favour of an Indian partner/Indian public within a period of five years prior to approval of the State Government concerned in case of any future land use change.

Important Tax Issues for Investors

Transfer Pricing: The globalisation of the Indian economy and increasing cross-border investment are bringing most large and mid-size business enterprises under the ambit of transfer pricing (TP) regulations. To avoid the pitfalls



of differing interpretations on it, most developed countries have introduced an Advance Pricing Agreement (APA) to mitigate disputes and uncertainty in relation to transactions between associated enterprises.

In the newly proposed tax regime (DT), the introduction of APAs along with safe harbour provisions in India would allow taxpayers to obtain the regulator's nod vis-à-vis the proposed pricing of international transactions and hence mitigate the risk of double taxation in certain circumstances. This would lead to a greater degree of comfort and reduce litigations to a great extent.

Business Income

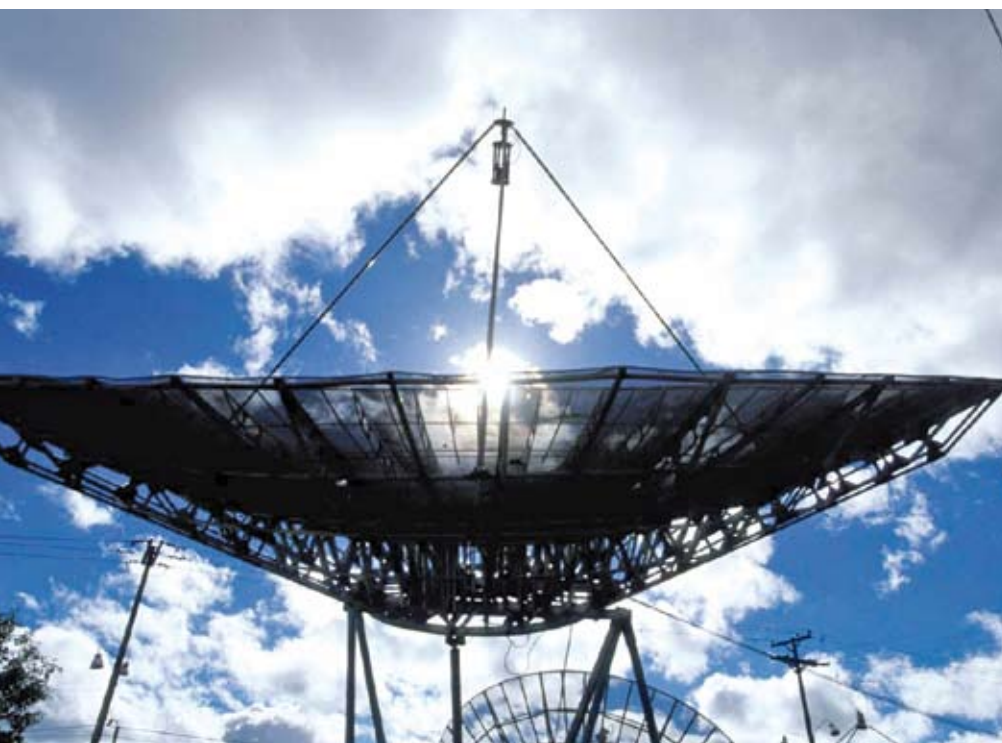
Sometimes disputes arise with Income Tax Authorities relating to nature of Income in case of Fees for Technical services (FTS) and royalty income. At times income may be categorised as both Royalty income and FTS which may always be treated as business income depending upon the facts and circumstances 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.

Thin Capitalization

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 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.

Conclusion

In the ongoing financial year 2011-12, India is likely to attract Foreign Direct Investment (FDI) worth US\$35 billion as against US\$19.4 billion of the last financial year. "If we are going by the growth of FDI in the last few months, it may touch US\$35 billion figure," says Krishan Malhotra, Executive Director, KPMG.





**We believe in
a better future**

TATA MOTORS



Xenon Single Cab Giant Super CNG



Xenon Single Cab Giant

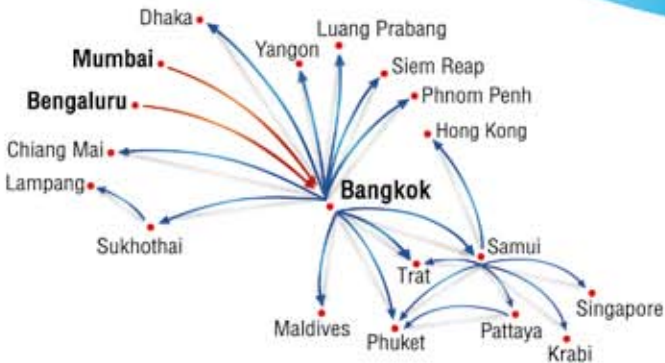
Tata Motors Thailand wish Thais to get through this flood crisis. We are in support of rebuilding a stronger nation.

www.tatamotors.co.th



Extending Excellence Across Asia...

BANGKOK AIRWAYS Bengaluru - Bangkok



Bengaluru-Bangkok

Non-stop Flights Daily

ROUTE	FLIGHT	DEPARTURE	ARRIVAL
Bengaluru-Bangkok	PG 732	01:35	06:40
Bangkok-Bengaluru	PG 731	22:30	00:45

And also flies Mumbai-Bangkok Daily

Mumbai-Bangkok	PG 734	01:15	07:05
Bangkok-Mumbai	PG 733	21:30	00:35

Experience pleasant amenities that go above and beyond, including the private departure lounges* and gourmet in-flight meals that Bangkok Airways has long been famous for, whenever you fly with us to Bangkok. Bangkok Airways, Asia's Boutique Airline.

*Boutique Lounges : Suvarnabhumi(Bangkok), Chiang Mai, Phuket, Samui, Sukhothai, Trat, Luang Prabang, Phnom Penh,



Boutique Service

Boutique Lounge

Boutique Menu

Fly Different.
Feel Extraordinary.

Please contact your travel agent or Bangkok Airways

Bengaluru Office : Global Air Transport Services Pvt Ltd

C-7 Devatha Plaza 131/132 Residency Road Bengaluru 560025

Tel. +91 80 2222 3140-1

Mumbai Office : Reservation Tel. +91 22 6621 3803

Sales Tel. +91 22 6621 3804-06 Ticket Office Tel. +91 22 6621 3809-11

ASIA'S BOUTIQUE AIRLINE
6 Years - Asia's Best Regional Airline



www.bangkokair.com