

Briefly

Tata Group co lines up ₹1,100-cr IPO

Mumbai: Auto parts maker Tata Autocomp Systems, part of the \$68-billion Tata Group, plans to raise at least ₹1,100 crore through an initial share sale in the next two-three weeks. — Reuters

Suresh Tendulkar passes away

Mumbai: Eminent economist and a former chairman of the Prime Minister's Economic Advisory Council, Suresh D Tendulkar, died of cardiac arrest in Pune on Tuesday morning. He was 72. — PTI

Insurers' IPO draft norms released

New Delhi: Insurance companies that have completed 10 years of operation and have strong financials will be allowed to access the capital market, according to the draft guidelines released by the sector regulator, IRDA. — PTI

CIL to again invite Mozambique bids

New Delhi: Coal India will float again a global tender for exploration of its two blocks in Mozambique by month-end. — PTI

Amul eyes 22pc revenue growth

New Delhi: The Gujarat Cooperative Milk Marketing Federation (GCMMF), which markets the popular Amul brand of milk and dairy products, is targeting over 22 per cent growth in revenue this fiscal to touch ₹12,000 crore. — PTI

PNB opens 101st branch at Kasba

Kolkata: Punjab National Bank has opened its 101st branch and 69th ATM at Kasba. GM Pankaj Bhardwaj said the bank endeavours to cover all unbanked areas, especially villages with population of above 2000. — BP

MFCS appoints new CEO

Mumbai: Mahindra First Choice Services (MFCS) has announced the appointment of YVS Vijay Kumar as chief executive officer (CEO). — BP

Lanco Infra bags \$81.3-mn contract

New Delhi: Lanco Infratech has made a foray into the international engineering, procurement and construction arena by bagging \$81.3 million (about ₹365.28 crore) order in Iraq for a power plant. — PTI

P Balaji is new MD of Sony Ericsson

New Delhi: Sony Ericsson has announced the appointment of P Balaji as the managing director of India operations, effective July 1. — PTI

Punjab & Sind Bank raises ₹300 cr

New Delhi: Punjab & Sind Bank has raised ₹300 crore from bonds to fund growth. The fund has been raised via unsecured redeemable subordinated Tier II bonds with a coupon rate of 9.73 per cent per annum. — PTI

Online tax returns jump 80pc in FY11

Bangalore: Online filing of income tax returns in India jumped 80 per cent to 91.57 lakh in 2010-11 and is projected to zoom to 7.5 crore in five years, according to an online service portal. — PTI

Avon to set up plant in Bihar

Chandigarh: Avon Cycles plans to set up a bicycle assembly plant in Bihar with initial capacity of 1,000-1,500 units per day. — PTI

FDI dips by 9pc in January-April

New Delhi: Foreign direct investment (FDI) has declined by 9 per cent to \$6.51 billion during January-April 2011 against \$7.14 billion in the same period last year. — PTI

Govt resumes DTAA talks

To renegotiate a 30-year-old treaty, used to save taxes, with Mauritius

New Delhi: The government on Tuesday said that it has resumed talks with Mauritius for re-negotiation of the Double Taxation Avoidance Agreement (DTAA), a 30-year-old treaty which has been used by investors to save taxes.

"As far as DTAA with Mauritius is concerned, it is nothing new. It is an old one. For some time, talks were suspended. Now it has resumed," finance minister Pranab Mukherjee said on the sidelines of a seminar.

Finance secretary Sunil Mitra said, "The discussions are likely to resume on re-negotiation of the three-decade-old DTAA in July or August."

While the government

has been pressing for re-negotiating Mauritius DTAA with an eye on plugging the loopholes and revenue leakages, some experts have raised concerns that the move may impact the foreign direct investment (FDI) into the country.

Economic affairs secretary R Gopalan, however, refuted this concern. "One agreement (renegotiating DTAA with Mauritius) would not make any difference so far as FDI inflows (in the country) are concerned."

India receives 42 per cent of its FDI routed through Mauritius. Likewise, about 40 per cent of the FDI fund flow in the country is believed to be routed



Pranab Mukherjee

through the island nation. A majority of them are third-country investors which use the DTAA for saving capital gains tax.

According to the DTAA, capital gains from sale of shares by residents of Mauritius in India are liable to be taxed only in that country. As Mauritius does not have capital gain tax,

there is no burden on investors routing money in India through circuitous route.

In the wake of pressure on the government to track black money, it is in the process of renegotiating the DTAA with several countries, primarily tax havens like Mauritius.

Experts, however, said that re-negotiation of the DTAA would not be of much help. Instead, FDI investments into the country would be impacted if capital gains tax is imposed.

"Re-negotiation of the treaty will undermine India's confidence in other countries, like Singapore," K R Sekar, partner, Deloitte Haskins & Sells, said. — PTI

WBPDCCL may go it alone for Santaldih project

Madhumita Mookerji

Kolkata: West Bengal Power Development Corporation (WBPDCCL) may go it alone for its Santaldih power project. Initially, joint venture talks had been on with NTPC for setting up a brownfield thermal power plant with one or two units of 800 mega watt (MW) each, at this location.

However, according to a highly placed source in the West Bengal power department, WBPDCCL may now be undertaking the project itself. Around ₹4,400 crore of investment will be required for a single 800-MW unit, computed at the rate of ₹5.5 crore per mega watt. WBPDCCL is currently weighing various options. This quantum could be funded through a mix of debt and internal accruals if the company decides to implement the project by itself. Alternatively, it could opt for a private-public partnership model.

According to the source, WBPDCCL could even opt for a lease model under the public-private partnership (PPP) format, whereby an investor will put in his money, set up the project and then exit after 25 years.

The source revealed that the talks with NTPC have broken down because of, among other concerns, legacy issues relating to land allocation.

But, Santaldih is known terrain for WBPDCCL, where it already runs a 250-MW thermal power project and a second 250-MW is set to be commissioned next month. It also had four 80-MW units which will be disman-



ted to make way for the new project. Sources reveal that a little less than 1,000 acres are in the possession of WBPDCCL since the 1960s, including the 200 acres that will be retrieved once the four decommissioned 80-MW units are dismantled, on which the project is slated to come up.

As of now, WBPDCCL is weighing the technical options of whether a second 800 MW unit could be set up within the land area in its possession, where one 800-MW unit can be comfortably set up. "If feasible from the technical aspects, then WBPDCCL will go ahead with the second 800 MW unit too," said the source.

Meanwhile, WBPDCCL handed over 100 per cent of its Katwa power project to NTPC as talks with Bharat Heavy Electricals (BHEL) for the same did not take off. Once the project is completed, NTPC will sell 50 per cent of the power to the West Bengal government and is free to sell the balance to other state governments. However, the sale of power to West Bengal will not be at a preferred rate.

REACHING OUT



SBI chief general manager Suriender Kumar (third from left) at the inauguration of an ATM at the Dall Police Line in Darjeeling on Tuesday.

Shriram Transport to grow used-car portfolio

Our Correspondent

Kolkata: With demand for new vehicles coming under pressure due to rising interest rates, Shriram Transport Finance Company (STFC) is likely to increase its loan portfolio for used vehicles. STFC is one of the largest non-banking finance companies (NBFC) in the country. Old vehicle financing comprises 70 per cent of its portfolio while the rest makes up for new vehicles.

The NBFC believes demand for new vehicles may be affected because of high interest rate and inflation, but second-hand vehicles will remain immune for a while. New vehicle growth is expected to continue at 10 per cent flat unless inflation is moderated, and their sale is expected to pick up after monsoon.

R Sridhar, managing director, STFC, said: "Purchase through loans at



► Old vehicle financing comprises 70pc of the company's portfolio
► It is focussing mostly on financing pre-owned commercial vehicles

fixed rates is likely to be impacted by interest rates hike, particularly new vehicle segment, which is already showing signs of sluggish demand. This may also catch up with old vehicles but not before 6-12 months."

"Our focus is mostly on financing pre-owned commercial vehicles,"

Sridhar added.

The company, with ₹36,000 crore as assets under management, plans to raise to ₹1,000 crore through the sale of secured non-convertible debentures to meet lending requirements and to pay back debt. Its debt is close to ₹1,500 crore. The issue opens on June 27 and closes on July 9.

The company also plans to borrow ₹12,000 crore in FY12.

The money raised from the issue will be used to meet its lending requirement and financing debt.

STFC recently opened two automalls in Chennai and Vadodara and plans to open two more in Delhi and Mumbai this month.

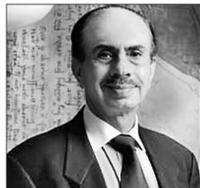
By March next year, it aims to open nearly 50 automalls across the country. "We have plans to open automalls in the eastern region, like Kolkata, Siliguri and Dhanbad in the next six months," Sridhar said.

Godrej to enter new ventures

Kailash Rajwadkar

Mumbai: Godrej Industries will foray into drip irrigation business and seeds business through its subsidiary Godrej Agrovet, said Adi Godrej, chairman of Godrej group on Tuesday. For drip irrigation, Godrej Agrovet will enter into joint venture with a multinational company.

"We will be officially making the announcement in July. The factory construction will commence in 2nd half of 2011-12," he said addressing a meeting of investors and equity analysts. Godrej Agrovet is 75.2 per cent unlisted subsidiary of Godrej Industries, has so far made an investment of ₹163 crore, in farm related products like feed, poultry, agri-inputs, oil palm. The company will invest around ₹80 crore in the first phase of the project, which will largely have large proportion of working capital, an official said.



Adi Godrej

The MNC JV company will bring in technology to produce, drip laterals, drippers and related components, he added. On the possibility of Godrej Agrovet tapping the capital market, Godrej said, "It is an option which we always keep looking at." In 2010-11 (Apr-Mar), Godrej Agrovet reported annual sales of ₹1,897 crore, up 20 per cent while profit before interest and tax rose by 103 per cent to ₹69.3 crore, over previous year.

The seeds business will be via Godrej Seeds and Genetics Ltd. Godrej Seeds will be based in Hyderabad with initial focus on maize, paddy and bajra. It is currently in the process of hiring the leadership team, Godrej said.

Aditya Birla completes Colombian acquisition

New Delhi: Aditya Birla Group on Tuesday said it has completed the \$875-million acquisition of Colombian Chemicals Company, an Atlanta-based carbon black maker.

"The completion of the acquisition of Colombian Chemicals is indeed a milestone in our carbon black business. At one stroke, it doubles our capacity, from one million tonne to two million tonne," Sanjiv Misra, a member of the newly-formed board of Colombian Chemicals, said in a company release. Kumar Mangalam Birla will chair the new board.

The acquisition, announced in January, helped the Aditya Birla Group to extend its geographical reach. "We view the carbon black business as a significant global business in our portfolio..." group chairman Kumar Mangalam Birla said. — PTI

America worried over visa costs for Indians

Kolkata: The US Consul General in Kolkata, Beth Payne, expressed concern over high visa costs for Indians going to the US and said these issues are being studied and steps will be taken after consulting her country's legislature.

"Visa costs are a huge issue. These concerns, particularly in the IT sector, are being studied at the Congress and steps will be taken," said Payne during an interactive session on the "Win-Win Benefits of Indo-American Trade", organised by the Merchants' Chamber of Commerce in the city on Tuesday.

US imports services in information technology from Indian companies and India has a good market in software exports to the US. Increasing the application fees, namely H-1B and L1 visas, by \$2,000 and \$2,500 respectively, has left the Indian IT industry worried.

"This is the area where we struggle...we want to be as

Beth Payne
— Prabir Bhattacharya

open as possible. It is a protection cost and not directed at India only. But there is also a need to guard against its misuse," Payne added.

Payne further feels that there is tremendous scope for investments in sectors

like mining, engineering, energy, tourism, agriculture and education in the state considering that the new government favours a policy of "no bandh and work stoppage", fast clearance of proposals through a core committee and a single window. "US investors have evinced interest in investment opportunities in the state. We see a huge interest among US citizens in the new government in West Bengal," she added.

Corruption was, however, a big hindrance for doing business as it raises costs and damages the market, she added.

Payne said US companies were taking a deep interest in areas like exploration of shale gas for affordable clean energy. Schlumberger, a leading company from the US and supplier of technology, integrated project management solutions in the oil and gas space, has tied up with Oil and Natural Gas Corporation for exploration of the gas in West Bengal.

Children were found to be three times more vulnerable to respiratory ailments than the state average," the study revealed.

The Bill needs the approval of two-thirds of the MPs and half of 28 states to become a law. Hence, the BJP support is crucial at the state as well as the central level.

The Bill was introduced in the Lok Sabha in the previous Budget session.

It was the fourth draft prepared by the Centre after the first three were rejected by the states, citing autonomy issues. — PTI

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Draft GST Bill faces states' stiff opposition

New Delhi: The introduction of big-ticket tax reforms through the goods and services tax (GST) regime seems unlikely from next April with the BJP-ruled states saying that they would not like to be reduced to "municipality or corporations".

"The kind of draft that the government has presented...I do not think it could be passed. Which state will agree to become a municipality or corporation? To hand over all the powers to the Centre and then beg before it for money is against the spirit of the Sarkaria Commission report," Madhya Pradesh finance minister Raghavji said on Tuesday.

He said the states are not inclined to accept the draft Bill, which has been circulated by the Centre, for the introduction of the GST.

The Constitution Amendment Bill introduced by the Centre is reactionary, said Raghavji. "It is absolutely useless and against the interest of the states. It has provisions which will curtail the autonomy of states. The Centre is interfering in the rights of the states."

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Airbus seals record IndiGo order: Source

Le Bourget, France: Airbus has sealed a record deal worth \$16 billion at list prices to sell narrow-body aircraft to low-cost carrier IndiGo, an industry source with knowledge of the matter said on Tuesday.

The deal represents the biggest boost to date for the revamped A320neo and confirms an order provisionally announced in January after intense last-minute talks at the Paris Air Show.

"It's in the bag," the source said, speaking on condition of anonymity. The deal is expected to be announced on Wednesday.

IndiGo in January announced plans to buy 150 A320neo aircraft and 30 of the existing A320 model. The order is a record for the number of planes involved in a single transaction. — Reuters

Govt is also taking steps to improve basic mobile health facilities in mining areas of Burdwan district

Govt is also taking steps to improve basic mobile health facilities in mining areas in Burdwan district, tea gardens in North Bengal, political conflict zones and drought prone areas to name a few.

"We are planning to set up healthcare and neo-natal stabilisation units and will try to have them in place in the current fiscal," said Dilip Ghosh, state family and healthcare secretary, on the sidelines of a seminar on "Improving Healthcare Delivery for the Underserved: Issues and Prospects in West Bengal", organised by the Institute of Health Management Research (IHMHR).

The state has allotted a fund of ₹4,000 crore for the health sector, while another ₹1,200 crore has been sanctioned by the Government of India in 2011-12," he added.

On the much-awaited decision of the health ministry on finalising a scheme in a tie-up with the Medical Council of India (MCI) to train rural students for three years who would exclusively serve the rural population,

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