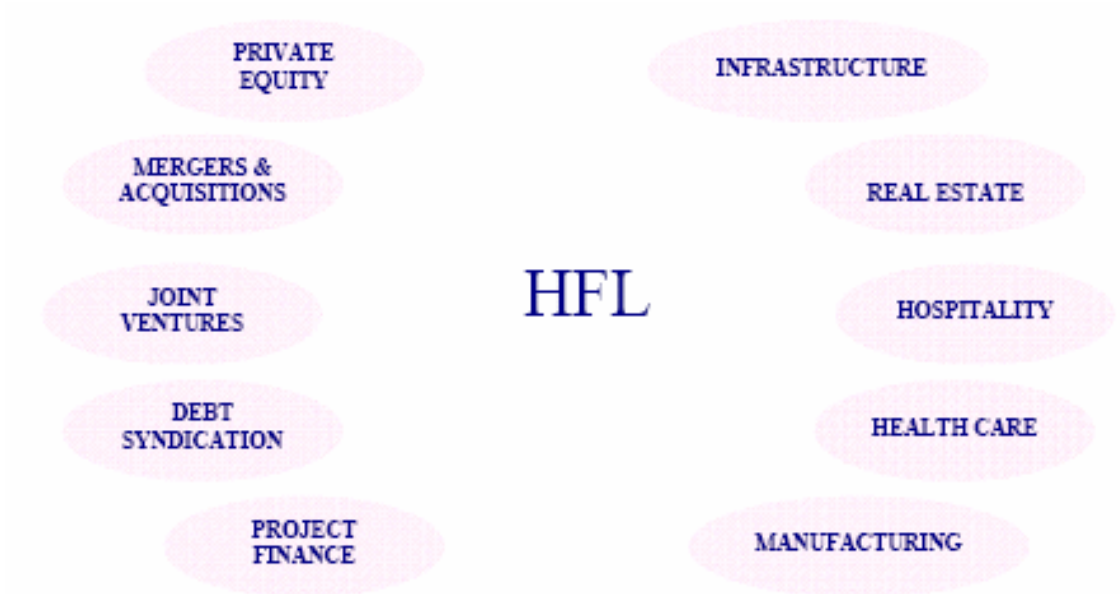




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Private Equity Funds

India is expected to receive USD 13.5 billion in PE funding during 2007, making India one of the top 7 countries receiving such funding in 2007. If the high growth trend continues Indian economy will grow from approximately USD 1,030 billion during the calendar year 2007 to approximately USD 5,040 billion in 2020 (in nominal terms). Therefore, it can easily absorb USD 60 billion during 2007–10 and as much as USD 490 billion during 2007–20. The PE investments are estimated to touch approx. USD 20 billion in 2010. The PE firms have invested around USD 48 billion during the last three and a half years.

Yes Bank Plans Four Funds With A Total Corpus of USD 1.5 Billion

Yes Bank Ltd plans to launch four private equity funds with an aggregate corpus of USD 1.5 billion. The fund would invest USD 500-750 million in infrastructure fund, USD 350 million each in real estate, USD 350 million in distressed asset and USD 150 million fund focused on social ventures. Vivek Mehra, former managing director of VC Tech Finance, the Indian arm of VA Technologies AG Group which is now part of Siemens AG, would head the fund.

Yes Bank is raising USD 100-million food and agribusiness fund, which will be headed by Sonal Shah.

Kotak Mahindra Bank to raise USD 400 million

Kotak Mahindra Bank plans to raise around USD 400 million by placing 17 million shares or 5% of its equity through qualified institutional placement (QIP) to funds managed by Warren Buffett, T Rowe Price etc. At present, Warburg Pincus holds 9.14 per cent in the bank. Citigroup is the advisor to the QIP issue.

Carlyle to invest over USD 150 in Indian Real Estate

Private equity fund Carlyle plans to invest around USD 150million into Indian real estate. The investment would be at the company level and at project level.

UK-based investment bank Noble Group to launch funds with an Indian partner

UK-based investment bank Noble Group to partner Delhi-based broking firm Almondz Global Securities Ltd to launch two private equity funds focused on Indian infrastructure, natural resources. The fund would have an average horizon of 5-7 years. The fund

would also invest in the Indian secondary equity market. The size partners have not specified the size of the fund.

3i India Infrastructure Fund's achieves first close at USD 500 Million

UK private equity group 3i has raised USD 500 million in the first close for 3i India Infrastructure Fund. 3i itself had committed a minimum of USD 250-million to the fund, with 3i Infrastructure Ltd committing USD 250 million.

The 3i Infrastructure Fund is targeting USD 1-billion in commitments. It is the first fund to be established within the framework of the strategic partnership agreement between 3i and the India Infrastructure Finance Company Ltd (IIFCL). The fund would invest across power, ports, airports and road projects.

Tourism Finance Corp to raise USD 100 million fund focused on Hotels

Delhi-based Tourism Finance Corporation of India Ltd (TFCI) to raise USD 100 million private equity fund from banks and high net worth individuals to invest in hotels. The fund has an investment horizon of seven-year fund in hotels in the tier 2 and tier 3 cities

QVC Realty raises USD 200 Million in second round of funding

Bangalore-based QVC Realty Pvt. Ltd, a real estate investment company incubated with USD 100 million funding from IL&FS Investment Managers, to raise an additional funding of upto USD 200 million. QVC was founded by former ICICI Venture real estate investment head Prakash Gurbaxani. QVC will use the capital to develop real estate assets like residential townships and commercial property including retail spaces and hotels. Its focus markets are Mumbai, New Delhi, Bangalore, Hyderabad, Chennai, Pune, Kolkata, Chandigarh, Nagpur and Kochi. QVC Realty was considered the first Indian real estate startup to raise private equity.

ICICI Venture plans India's largest real estate fund

ICICI Venture Funds Management Co., the venture capital arm of ICICI Bank, plans to raise about USD 2 billion for India's largest real estate fund. The fund to be raised in India and overseas will invest in commercial and residential developments and acquire land in 12 of India's largest cities. ICICI Venture has invested 70% of its first real estate fund of USD 550 million. It has joint venture with New York-based Tishman Speyer Properties LP.

IDFC private equity plans a third USD 2 billion infrastructure fund

IDFC Private Equity plans to raise USD 2 billion for its third private equity infrastructure fund by the end of this financial year. IDFC private equity has raised two funds worth Rs 7,000 crore (USD 1.75 billion).

Private Equity Deals

Lehman, Och-Ziff Capital To Invest USD 100M Each In Future Group's Hotel Business

Lehman Brothers to infuse USD 200 million into Kishore Biyani's Future Capital Holdings and US-based hedge fund Och-Ziff Capital Management Group to invest USD 100 million in Future Capital's hotel projects in India. Future Capital plans to develop a chain of four and five-star business hotels across India with an investment of USD 200 million in the first year and another USD 300 million in the next three to five years. It is estimated that India would need an additional 150,000 hotel rooms across all categories in the next three years.

Kotak Realty Fund to pick up 11.11 percent stake in Pride Hotel Chain

Kotak Realty Fund would pick up 11.11 per cent stake in Pride Hotel chain for an undisclosed amount. Pride Hotel is a Mumbai-based hotel chain currently running four Five Star properties, in Pune, Nagpur, Ahmedabad and Chennai, with a total room capacity of 438. Kotak's investment will part finance the chains INR 350 crore expansion-cum-renovation plan. The chain plans to setup five star Hotels in Mumbai, Goa and Hyderabad, and Bangalore. The chain has plans to set up a resort hotel-cum-Spa, and has acquired land for it in Alibaug, near Mumbai. The expansion would increase the operating rooms to 1150 by December 2009.

Standard Chartered Private Equity to invest USD 50 million in Powerica

Standard Chartered Private Equity to invest USD 50 million in Mumbai-based genset manufacturer Powerica Ltd for 10-15 percent stake in the 27-year old company. Powerica has eight manufacturing units - in Navi Mumbai, Daman, Silvassa, Bengaluru and Chennai-SEZ and provides solutions with Cummins engine powered generating sets. The funds would be deployed in upgrading the existing manufacturing facilities and also for opening a new state of the art integrated generating set manufacturing facility at Khopoli (on the Mumbai-Pune Express Highway), Powerica ICICI Securities were the financial advisors to the transaction.

This is the second deal in the genset space. Earlier, Goldman Sachs and GE Power has invested about USD 60 million in Gurgaon-based genset manufacturer Sudhir Gensets.

Global Assets holding to raise USD 140 million for Telecom Infrastructure and Network Services Biz

Global Assets Holding Corporation (GHC), the holding company of four telecom infrastructure and related business of the Global Group plans to raise USD 140 million from a group of foreign investors which include Technology Infrastructure Ltd (Mauritius), SC Bank Private Equity Fund (Singapore), Park Holding & Finance Corp (British Virgin Islands) and etc. GHC will issue equity shares, preference shares, convertible shares or bonds. GHC plans to use the funds raised for downstream investment in the group companies such as increasing stake in GTL, and GTL Infrastructure.

GHC is the holding company for four Global Group businesses - the publicly listed network services company GTL Ltd (28 per cent stake), listed GTL Infrastructure Ltd (6 per cent stake direct and indirectly through GTL), privately held India Wireless Technology Ltd (30 per cent stake) and Global InnovSource Solutions (100 per cent stake). The group has combined revenues of USD 313 million. GTL infrastructure plans to toll out 22,000 towers across India. Its group company, the unlisted India Wireless Technology, is in the business of manufacturing and fabrication of steel towers for telecom networks and the power transmission industry. It has two tower manufacturing facilities at Hyderabad and Pune. While Global InnovSource is a staffing and recruitment company.

Intas Biopharma divests 47% to foreign funds

Intas Biopharmaceuticals Ltd (IBPL), the biotech company of Intas Pharma, to divest 47 per cent stake in the company to four Mauritius-based registered investors — Jarir India Investments, Kotak India Venture (it has also applied for registration with SEBI), BL Associates and Mordril Properties. Intas Biopharma will issue about 6.2 million compulsorily convertible cumulative preference shares to the investors at Rs 30 a piece. That takes the deal size to Rs 18 crore. Intas Pharma is among the top 20 pharma companies in India with a turnover above Rs 600 crore in 2006-07. Its biotech arm, Intas Biopharmaceuticals, researches on recombinant therapeutic proteins and other biotech products and the company plans to use the fund for major capacity expansion for the same. It also plans to use the funds to expand its unit near Ahmedabad which manufactures biotech bulk drugs and formulations.

Merrill Lynch invests USD 55 million From Wind Energy Company Vestas RRB

Merrill Lynch's private equity arm has invested USD 55 million in wind electric generator manufacturer Vestas RRB. It's ML's first and largest investment in the renewable energy sector in India. The company plans to use the investment for setting up wind energy generator blade manufacturing facility in and other facilities in Chennai and Delhi.

Indivision to acquire 33% stake for USD 25 million in Chennai based Wind Turbine Maker Regen Powertech

Indivision, Future Capital's private equity arm has acquired 33 per cent stake in Chennai-based wind turbine manufacturer, Regen Powertech, for USD 25 million. Regen has an exclusive licensee for technology know-how from Germany's Vensys. The company plans to use the funds for setting up a manufacturing facility to produce gearless turbines at Tada, Andhra Pradesh. Regen was started by ex-NEPC Micon employees Madhusudan Khemka and R Sundaresh

Valecha Infrastructure to raise USD 25 Million

Valecha Infrastructure, the wholly-owned subsidiary of publicly listed construction company Mumbai-based Valecha Engineering, plans to raise about Rs 100 crore (USD 25 million) by divesting 40 per cent stake to private equity firms. Valecha is a construction company present in highways, runways, bridges, power plants, dams, tunnels, buildings and canals. The company is targeting orders worth Rs 1,000 crore (USD 250 million) with this investment from three verticals - transport, power and real estate. Valecha Infrastructure has formed three special purpose vehicles for this.

Adani Group Strikes Two PE Deals worth USD 347 Million

Gujarat based Adani Group has entered into two deals with private equity funds to raise a total of USD 347 million for its power and the SEZ projects. UK private equity firm 3i Group-sponsored India Infrastructure Fund has invested USD 227 million for a minority stake in Adani Power. The company is developing a 2,640 MW coal-based thermal power plant in Gujarat and expected to become operational by 2009. Mundra Port & SEZ (MPSEZ) a part of Adani group has raised USD 120 million from the Government of Singapore Investment Corporation (GIC), T Rowe Price Asia, ICICI Bank and IDFC. It had had raised USD 100 million using optionally convertible bonds from GIC and UK-based private equity firm 3i a year back.

Shapoorji Pallonji in talks with PE Firms to sell stake in SEZ projects

PE firms such as GIC and HDFC Realty express interest in USD 1.5 billion IT/ITES SEZ projects being developed by Shapoorji Pallonji in cities of Pune, Mysore, Nagpur and Kolkata. The company is considering listing the SEZ's as real estate investment trust.

Global Infrastructure Partners, Zeus form JV to buy 74% in East India Petroleum

Infrastructure focused private equity firms Global Infrastructure Partners (GIP) and Delhi-based Zeus Inframanagement Fund to form a joint venture to acquire 74 per cent stake in Vizag-based East India Petroleum Ltd. GIP would hold 80 per cent stake in the joint venture East India Petroleum provides liquid storage services for petroleum, oil and lubricant products, petrochemicals, liquefied petroleum gas and biodiesel. Credit Suisse and General Electric backed GIP owns stakes in London City Airport, Great Yarmouth port, and in Chennai Container Terminal Pvt Ltd (CCT) in India.

Merger and Acquisition – Acquiring for Valuations

Global slowdown in buy-outs from private equity (PE), due to the subprime-mortgage crisis, is turning out to be an opportunity for strategic investors looking for acquisitions or mergers. Mergers and acquisitions (M&A) worldwide are expected to set an all-time record of more than USD 3.57 trillion before this year ends. China and India are the second and third most acquisitive nations, with 17.3 billion dollars and 16.1 billion dollars respectively spent on cross region outbound merger and acquisitions. US was the most targeted nation by companies in the Asia Pacific, with spending of 42.7 billion dollars through 207 deals. Out of the US-specific M&As this year, the Asia Pacific region accounted for nearly 3 per cent. Britain stood second on the target list of firms in Asia Pacific. The UK witnessed M&A volume of 31.9 billion dollars coming from this region through 81 deals, representing 10 per cent of the total inbound acquisitions in that country

Germany's ERGO International AG to acquire 26% stake in HDFC's General Insurance

Germany's ERGO International AG to purchase 32 million shares for 26% stake in Housing Development Finance Corp Ltd's general insurance unit for an undisclosed amount. ERGO's parent company is Munich Re, the world's second-biggest reinsurer. The deal is subject to regulatory approval and is expected to be completed by the end of this year. HDFC had bought its partner Chubb Corp's 26% stake in the general insurance venture earlier this year after an uneasy relationship stalled growth. Foreign companies are allowed to own up to 26% of an Indian insurance company. HDFC also runs a life insurance firm in a joint venture with UK's Standard Life.

Chennai-based MARG Constructions Ltd and Malaysia's Pembinaan Redzai Sdn Bhd to jointly operate the all-weather, deep-water seaport

Chennai-based infrastructure development firm MARG Constructions Ltd and Malaysia's Pembinaan Redzai Sdn Bhd to set up a joint venture company to operate the all-weather, deep-water seaport at Karaikal in Puducherry.

The first phase of the port, costing INR 4160 million to start operations in October next year. The second phase includes expansion to increase capacity to handle 100,000

tonnes ships. Karaikal is located on the Tamil Nadu-Puducherry coast, 250km south of Chennai and 360km north of Tuticorin. Pembinaan Redzai owns around 40% stake in Westports Holdings Sdn Bhd, the holding company for Westports Malaysia Sdn Bhd that operates one of the two container terminals at Port Klang, the world's 12th biggest container port. The Bombay Stock Exchange-listed MARG signed an agreement with the government of Puducherry last year to develop and operate a new port at Karaikal for 30 years, in phases, with a capacity to handle more than 10 million tonnes of cargo a year.

Bharati Shipyard Ltd & Apeejay Shipping Ltd to jointly develop ship building yard by investing INR 20 billion on the east coast.

Bharati Shipyard Ltd and Apeejay Shipping Ltd to jointly invest INR 20 billion to develop a modern shipbuilding yard along India's eastern coast. The shipyard would use with state of the art technology to build superior ships of high tonnage and also undertake ship repairing for global shipping firms. The proposed shipyard, expected to start operations in 2009. Bharati Shipyard, owns four shipyards in India and is building the fourth one in Mangalore.

Larsen & Toubro Ltd to acquire certain geographies in Malaysia based Tamco's switch gear business for USD 110 consideration

India's top engineering firm, Larsen & Toubro Ltd, to acquire the switchgear businesses of Malaysia's Tamco in Malaysia, Australia, China and Indonesia for about USD 110 million. Switchgears control the flow of energy in electrical power systems. Larsen has a 40% share of the low-voltage switchgear market in India, while the Tamco units specialise in medium-voltage switchgear. The acquisition would help double revenues at Larsen's electrical and electronics division to USD 1 billion by the year to March 2010. India's market for medium-voltage switchgears was growing at 15 percent a year and is expected to expand at a faster rate in the next five years

USD 1 billion Key Safety Systems acquires 50% in Delhi-based Abhishek Auto Industries

The USD 1 billion US based automotive safety component maker, Key Safety Systems (KSS), has acquired 50 per cent equity in Delhi-based Abhishek Auto Industries for USD 20 million. The Detroit-headquartered KSS is a global leader in design and production of safety components like airbags, seat-belts, inflators, steering wheels and electronic systems. The acquisition helps KSS to have an integrated facility for manufacturing airbags and steering wheels for global OEMs.

Volvo, DaimlerChrysler and Mahindra & Mahindra in race to acquire stake in Eicher Motors

Volvo, DaimlerChrysler and Mahindra & Mahindra in race to acquire stake in Delhi based manufacturer of light commercial vehicles Eicher Motors. The company is valued at INR 20 billion – 25 billion. India's truck market is worth INR 300 billion a year, and is dominated by Tata Motors and Ashok Leyland. There is a lot of interest from foreign players to set up shop in India.

Kotak Mahindra Bank and private equity fund Newbridge Capital will not bid for a 26 per cent stake in Indian state-owned lender IFCI

Kotak Mahindra Bank and private equity fund Newbridge Capital will not bid for a 26 per cent stake in Indian state-owned lender IFCI. That leaves eight suitors after the round one.

The eight bidders remaining in the fray are:

1. General Electric Capital Corporation
2. Consortium of Sterlite Industries (India) Ltd and Morgan Stanley & Co.
3. Infrastructure Development Finance Company Ltd
4. Consortium of WL Ross & Co. LLC, GS Capital Partners VI Fund, Standard Chartered Bank & Housing Development Finance Corporation Ltd
5. Cargill Financial Services Corporation
6. Consortium of Shinsei Bank Ltd, Punjab National Bank and J.C. Flowers & Co. LLC
7. Natixis
8. The Blackstone Group L.P.

IFC would invite Request for Proposals by mid-November, after which the pre-qualified companies would undertake due diligence and submit technical and financial bids upon which the board would finalise the names of strategic partners by January 2008 end. According to the current market cap, a 26 per cent stake in IFCI would be valued at over USD 320 million.

Infrastructure and Real Estate

India's Home Loan GDP Ratio 5%, versus 50% In US & UK. Despite real estate witnessing boom in last couple of years with 90% of home loans borrowers being the first timers, home loans GDP ratio in India continues to be at meager 5% as against 50% in US and UK and therefore suggested that it be more than doubled in budget proposals for 2008-09. Since buying a home requires huge investment, especially for first time buyers, higher home loan GDP ratio is necessary as 90% of borrowers are the first time borrowers.

As such, high interest rates coupled with soaring property prices have only impacted the affordability of buyers, demand, however continues to persist and will become stronger and more intense in near future. India has a housing shortage of about 19.4 million units of which 6.7 million is estimated for urban India and those of 12.7 million units in rural India. However, with rising income, swelling middle class and rapid urbanization, the demand is set to shoot up and is estimated that additional 45 million units would be required for both rural and urban areas by 2012. As a result of rising income and swelling middle class, India's per capita income has doubled over the past 20 years. With population growth of about 1.6% per annum and Gross Domestic Product (GDP), growth of 9% per annum, the per capita income is expected to quadruple by the year 2020. The average real income of urban India and rural India is likely to grow by 5.7% and 3.6% respectively by 2025. Moreover, India's middle class is expected to expand by more than 10 times from its current size of 50 million to 583 million people in next 18 years. Therefore, all these estimates work out to make a strong case for higher home loan GDP ratio so that India and its population is able to keep a pace for meeting the demand for housing units. Home loan rates have shot up from 7% in 2003 to 12% in 2007 with its impact massively following across the board including genuine buyers, speculators, real estate developers and bankers. A case in example is that as the home loan rates have gone up sharply, the interest pay out on housing loans has amplified as a borrower of Rs.10 lakh with loan tenure of 20 years has to shell out an extra of Rs.3250 every month on his EMI. The annual additional burden comes out to be as high as 39,000. Loans up to Rs.20 lakh form 80% of total housing loan portfolio. The share of housing loans in total personal loans has been on its way up since 2000-01. It has increased from 37.2% in 2001-02 to 48.6% in 2004-05. Home loans constituted 52.7%

in the total household credit in the year ended March 2006, marginally up from 52.5% in the previous year. Housing together with agriculture accounted for more than two-third of incremental priority sector lending in 2005-06. Home loans formed 11% of the total outstanding credit of scheduled commercial banks in March 2005 up from just 2.4% in May 1990. The sales value of housing construction has witnessed an exceptional leap from INR 176 million in 1991 to INR 41 billion in the year 2006. Lower interest rate regime has played a pivotal role in the progress. However, with the reprising of interest rates in the last four years from 7% to 12% and the sky rocketing prices of the property, there has been a slowdown in the residential property market. The phenomenon signifies suppression of demand rather than absence. Though it is necessary to check the flow of speculative money it needs to be appreciated that augmenting the land supply for development would go a long way in easing the demand pressure on prices.

Infrastructure identified as priority area by IFC

IFC, a member of the World Bank Group, today reaffirmed its commitment to contribute to India's economy by expanding its investments in private enterprises in the sectors where IFC is needed most. IFC Vice Presidents Farida Khambata and Declan Duff joined South Asia Director Paolo M. Martelli in India this week to discuss with government and private sector partners how to move ahead with IFC's growing focus on India's infrastructure, midsize companies, and financially underserved markets.

Indian Infrastructure Project Development Fund under consideration

A scheme to operationalise the India Infrastructure Project Development Fund with a corpus of INR 1000 million (USD 25 million) is under consideration of the Government. The fund is expected to quicken the pace of preparation of the shelf of bankable projects which can be offered for competitive bidding announced

India to be established as a global aviation hub

The Government envisages creating a network of world-class airports in the country with a view to establishing India as a global aviation hub. Measures have been taken to augment capacity as a result of which additional capacity to handle 60 million passengers per annum on the domestic sector and 31 million passengers per annum on international sector is under construction and is likely to be commissioned within the next two – three years.

Infrastructure Lending becoming top priority of Commercial Banks

Led by power, roads & ports and telecom sectors, the credit disbursement by banks to the infrastructure sector has grown at an impressive compound annual growth rate of 31 per cent during the last six years but the maximum growth in the credit was witnessed in the last two years at 43 per cent and 36 per cent.

Industry demands granting permission to MF/ FIs To Launch Dedicated Infrastructure Funds

The Associated Chambers of Commerce and Industry of India (ASSOCHAM) has suggested granting permission to mutual fund companies and financial institutions to launch Dedicated Infrastructure Funds (DIFs) with a view to mobilise resources to develop key sectors such as power, roads, rail, ports, airports to help India move a higher growth trajectory of 10% during 11th plan period.

Housing Ministry approves projects for urban poor

The Ministry of Housing & Urban Poverty Alleviation has approved 169 projects under the Basic Services to the Urban Poor (BSUP) and 257 projects under Integrated Housing and Slum Development Programme (IHSDP). These projects have been approved by the Central Sanctioning and Monitoring Committee (CS&MC) and Central Sanctioning Committee (CSC) out of the total 232 projects under BSUP and 700 projects under IHSDP respectively, received as on 6th August, 2007.

The Kerala Government plans to set up IT parks in all the districts of the State

Kerala Government An agreement to implement the Smart City project in Kochi. The Government has also planned to develop the Technopark in Thiruvananthapuram on similar lines and to establish a 'Technocity' there in 500 acres of land. Steps have also been taken to set up IT parks in Alappuzha and Kozhikode and preliminary measures initiated to develop IT parks in other districts.

THE POLICY

RBI Relaxes Foreign Exchange Rules for Corporates and Individuals

In its second quarter review, the RBI has kept interest rates unchanged while raising the cash reserve ratio (CRR) by 50 basis points (bps). The maintenance of the status quo on interest rates is due to the anticipated moderation in annual economic growth to 8.5 per cent as compared with the first quarter figure of 9.3 per cent. There has also been a significant decline in the inflation rate in recent weeks. The combination of unchanged growth and inflation forecasts is the main reason for keeping the interest rates unchanged. Hike in the CRR is a policy response from the central bank to curtail foreign inflows. Since December 2006, the RBI re-activated the CRR as a policy instrument after an interval of over 2 years, primarily to counteract the persistent surge of capital inflows. Prior to that move, capital inflows tended to neutralise hikes in policy rates by bringing enough liquidity to allow banks to maintain their lending rates. Post the CRR hikes, notwithstanding the surge in inflows early in the year, rates did harden. The recent experience suggests that the two instruments, interest rates and the CRR, used in tandem do serve the purpose. Since the equity market continues to attract large inflows, particularly in the few days since the position on P-Notes was clarified, the need to curtail liquidity has heightened, especially in an environment where commercial banks have already begun cutting lending rates in various market segments in order to increase volumes. Presumably, the CRR hike is indicative of the RBI's message to banks that the interest rate situation should remain stable in the current growth-inflation scenario

RBI Relaxes Foreign Exchange Rules for Corporates and Individuals

RBI has eased capital outflows for individuals and companies, a step towards full capital account convertibility. The limit to pre-pay overseas loans by corporates has been raised to USD 500 million from USD 400 million under the automatic route and the cap on investments in overseas ventures has been raised to 400 per cent of net worth from 300 per cent. Listed companies are allowed to make portfolio investments in any company abroad, with the removal of a stipulation that such investments could be made only in companies which have a 10 per cent reciprocal share holding in the Indian company.

The limit for such portfolio investments has also been raised to 50 per cent of the net worth from 35 per cent now.

Mutual funds would now be allowed to invest overseas an aggregate of USD 5 billion against USD 4 billion hitherto and the ceiling on remittances resident individuals can make has been doubled to USD 0.02 million from USD 0.01million.

Government plans a Real Estate Regulator

The government plans a regulator for the rapidly growing real estate on the lines of Telecom Regulator. The regulator will be headed by an eminent personality or judge and will assist in dealing with Land procurement issues, documentation and timely execution of projects. The regulator would also facilitate opening up more land to the productive manufacturing and services sector of the economy. However regulating land prices and property cost cannot come under the purview of the regulator, since they are state issues.

Government considering proposal for 100 per cent FDI in mining

The government is considering 100% FDI in titanium ore mining under the automatic route. At present, the department of atomic energy (DAE) permits FDI in titanium ore mining, hitherto considered a sensitive area, of up to 74%. Department of industrial promotion & policy (DIPP) has included the proposal in the yearly FDI review following the clearance from DAE to move titanium ore mining from the list of sensitive activities to regular mining activities. The proposal is part of the National Mineral Policy. The move is expected to attract major investments in the country's titanium reserves, which constitute 30% of the world's total reserves. Billed as the metal of future, titanium and its alloys are used as basic raw material for aircraft and aerospace, and its use is gradually increasing in other areas including chemical industries, iron and steel industries and FMCG sector. Titanium is recognised as a strong metal, light in weight, non-corrosive and able to withstand extreme temperature (melting point of 1,800° C).

THE GOVERNMENT

Government to develop four stretches as expressways

The government has identified four stretches that will be developed as expressways as part of phase VI of the National Highway Development Programme (NHDP). Under the programme, the government plans 1,000 km expressways by 2012. The stretches are Delhi-Agra, Delhi-Meerut, Chennai-Bangalore and Kolkata-Dhanbad. There are only two expressways in the country, one between Mumbai and Pune and the other between Baroda and Ahmedabad. Under phase VI of the NHDP, the 95-km Baroda-Ahmedabad expressway would be extended by another 400 km up to Mumbai. Expressways have different physical parameters compared with highways, including fencing on sides, different road levels and underpasses and the government is considering a proposal to have a separate legislation for expressways. The government is also considering a proposal for carving out a separate corporate entity out of the NHAI which will be in charge of developing expressways.

NHAI to invest USUSD 12.33 billion in North-East

The National Highway Authority of India to invest INR 500 billion in the North-East region in the 11th Five Year Plan for augmenting capacity of high density corridors which would result in provision of improved four-lane national highway link to all state capitals. According to experts NHAI should also develop connectivity between Chittagong port in Bangladesh and Haldia port in West Bengal.

Railways plans Modernization of 22 stations

The Railways to modernize at 22 stations in two phases. 6 stations of New Delhi, Patna, Agra, Anand Vihar, Jaipur and Amritsar to be developed in Phase I. Hong Kong-based firm Terry Farell has been appointed to carry out the study and submit the concept plan for modernisation of New Delhi railway station, with consultants for the remaining stations to be appointed shortly. The modernized stations to include modern station building with all modern passenger amenities such as food plazas, currency exchange counters, hotels, retail outlets and ATM facilities.

CERC gives nod to country's first power exchange

The Indian Energy Exchange Ltd (IEEL), a joint venture company formed by Financial Technologies (India) Ltd (FTIL) and MCX (Multi Commodity Exchange), has received permission to set up the first nation-wide power exchange (PX). FTIL and MCX jointly have 51 per cent stake in the proposed exchange with rest of the share taken by the power sector companies, financial institutions along with power trading companies. The country's largest power trading company, PTC India has also become part of this venture. NTPC Vidyut Vyapar Nigam Ltd (NVVN), a subsidiary of NTPC, along with the National Commodity & Derivatives Exchange Limited (NCDEX) have also filed a proposal to set up power exchange in the country.

A PX is just like a stock and commodity bourses, acts as a platform for buying, selling and trading in electricity. Currently, there is no power exchange in India and electricity is traded bilaterally at mutually agreed rates. A power exchange is expected to streamline power trading along with standardizing electricity as a tradable product. It would also provide a payment security mechanism to buyers and sellers. The PX would have contract systems for the day-ahead power.

Though India is a country facing acute power deficit, there are instances of hourly surplus at any given time of the day round the year, which is available for trading, according to a Delhi-based power consultant.