

**Foreign Investment Approvals:  
An Analysis  
(August 1991 - July 1993)**

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*Project Director*

**Prof. S.K. Goyal**

*Project Team*

**K.S. Chalapati Rao  
Shripad Bhat  
Suresh Muthuswamy  
K.V.K. Ranganathan  
Alok Puranik  
M.R. Murthy  
Sameer Goyal**

*Computer Support*

**Bhupesh Garg  
Sudhir Agarwal**

*Secretarial Services*

**Umesh Kumar Singh  
Usha Joshi  
Sunil Agarwal  
Bharat Chander  
Rajesh Katoch**

*Library & Documentation Services*

**Farrukh Riaz**

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## Chapter One

### INTRODUCTION

India has generally been known to follow a selective approach towards foreign investment with transfer of technology and export promotion being the corner stones of its policy towards foreign investment. The low level of foreign investment in the country<sup>1</sup> was sought to be explained in terms of the overall policy environment and specifically the country's industrial policies which had a direct bearing on the foreign-owned enterprises. In the case of the economic policy environment, the often cited irritants were: industrial licensing under the *Industries Development & Regulation Act, 1951* (IDRA), the *Monopolies & Restrictive Trade Practices Act, 1969* (MRTPA); *Foreign Exchange Regulation Act, 1973* (FERA); high rate of taxation; protected labour and inadequate patent protection.

Beginning with July 1991, the government has introduced a number of changes in regulatory policies. These are expected to significantly alter the economic and administrative environment for direct private foreign investment. The major components of the new economic policy are:

- (a) abolition of industrial licensing with effect from July 1991 for all industries except for the 18 specified ones<sup>2</sup>;
- (b) introduction of a provision for automatic government approval of foreign equity up to 51 per cent in 35 industries (referred to as Appendix III industries);
- (c) automatic approvals for import of technology in Appendix III industries for lumpsum payments up to Rs. 1.00 crore and royalties up to 5% (domestic sales) and 8% (export sales);
- (d) narrowing the area reserved for public sector to only eight industries<sup>3</sup>;
- (e) partial disinvestment of government holding in public sector companies;
- (f) withdrawal of the mandatory convertibility clause for term loans from financial institutions;
- (g) limiting the scope of MRTP Act to the control of restrictive and unfair trade practices and consumer protection;
- (h) permitting large houses and foreign companies to have up to 24 per cent foreign equity;

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1. During 1980-1982 India ranked eleventh among 18 Asian and Pacific countries according to the annual average investment inflows. See: UN, World Investment Directory 1992 : Foreign Direct Investment, Legal Framework and Corporate Data, Volume I, Asia and the Pacific, 1992, p. 15.

2. De-licensing was extended to motor cars, white goods (refrigerators, washing machines, air-conditioners, etc.), raw hides & skins and patent leather in April 1993.

3. The number of industries has further been reduced to six. These are: defence products, atomic energy, coal and lignite, mineral oils, railway transport, and minerals specified in the schedule to the Atomic Energy Order, 1953.

- (i) permitting Foreign Institutional Investors (FIIs) to invest in the Indian capital market;
- (j) introducing a free trade regime with trade subject to only a negative list of imports and exports;
- (k) extending the EOU/EPZ schemes to agriculture and allied activities;
- (l) devaluation of the rupee followed by partial and full convertibility on trade account in stages and finally on current account;
- (m) progressive reduction in the average and maximum tariff rates;
- (n) lowering the maximum marginal tax rate for income tax and reducing the tax rate for corporate tax; and
- (o) allowing Indian companies to issue convertible debentures and equity shares to investors abroad<sup>4</sup>.

The effectiveness of the policy package is often projected in terms of the gross value of the new foreign investment proposals (which have been granted approvals by the Foreign Investment Promotion Board (FIPB). Since the announcement of the new industrial policy in July 1991 the total approved foreign investment is reported to have aggregated to Rs. 13,160 crores by December, 1993<sup>5</sup>. Of this, as much as Rs. 8,860 crores i.e., about two-thirds of the total, was approved in 1993 alone. As compared to the annual approvals during the past, including in the 'eighties, and the total stock of foreign direct investment of Rs. 2,302 crores and portfolio investment of Rs. 979 crores, as on March 31, 1989, the newly approved investment is quite large.<sup>6</sup> Official reports indicate that three sectors namely, power generation, oil refining and food processing together accounted for a substantial portion of the new investments approved.

In spite of a variety of measures taken, the actual flow of foreign investment is reported to be considerably lower than what is suggested by the official approvals. Some estimates place it at about 15 per cent.<sup>7</sup> A more recent estimate places the actual inflow at Rs. 2,644 crores during August 1991 to November 1993.<sup>8</sup>

The *Economic Survey 1993-94* provides details in respect of actual foreign capital inflows. Of the total inflow of direct investment of US \$ 790.4 million during April 1991 to September 1993, US \$ 557.1 million was accounted for by projects approved by the Reserve Bank of India (RBI) under the automatic approval scheme, and the Foreign Investment

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<sup>4</sup>. A few other steps include removing the restriction on use of foreign brand names in the domestic market, removal of obligation to adopt a phased manufacturing programme (PMP), withdrawal of certain items from the small scale reservation list, rescinding the dividend balancing requirement, etc.

<sup>5</sup>. "Oil Refinery ventures top FDI approvals", Financial Express, February 17, 1994.

<sup>6</sup>. RBI, "India's Foreign Liabilities and Assets as on March 31, 1989", Reserve Bank of India Bulletin, February 1993, pp. 103-124.

<sup>7</sup>. The actual inflows were reported to be 15 per cent of the FDI approvals of \$2.4 billion cleared since the new policies came into being. See: "Low FDI flow worries Centre", The Telegraph, May 10, 1993, p. 10.

<sup>8</sup>. "Oil refinery ventures top FDI approvals", Financial Express, February 17, 1994.

Promotion Board (FIPB) or the Secretariat for Industrial Approvals (SIA).<sup>9</sup> In addition, NRIs' contribution (under the 40% and 100% schemes) to direct investment was placed at US \$ 233.3 millions or, about 30 per cent of actual inflows.<sup>10</sup> In contrast, portfolio investment comprising of investment by foreign institutional investors (FIIs) and Euroequities, during the April 1991 to September 1993 amounted to US \$ 550.8 millions. However, the overall position is reported to have changed dramatically with portfolio investment at US \$ 1,050.7 millions (FIIs: US \$ 761.7 mn and Euroequities: US \$ 289.0 mn) far exceeding direct investment of US \$ 126.4 million during October-December 1993. Thus the estimated inflow of foreign direct investment appears to be placed at a little over one-fifth of the overall value of the approvals.

Available information, however, does not throw much light on the precise nature of the foreign investment projects that have materialized.<sup>11</sup> The reported proposals for new foreign investment also include additional equity capital taken up by the foreign investors in the existing companies. It has been reported that 151 proposals seeking hike in equity were approved during this period. The corresponding investment was of the order of Rs. 1,041 crores.<sup>12</sup> It is reasonable to expect that unlike in the case of fresh investments, increasing equity in the existing companies is relatively easier and faster. From the press reports it appears that many of the erstwhile FERA companies acquired foreign subsidiary status by issuing shares to their parent companies at substantially lower than market prices. Assuming that all the proposals seeking equity hike have been implemented, the inflow on this account works out to 40 per cent of the total actual inflow. The percentage share would be higher if actual NRI inflow is excluded from the new investments. We shall examine this aspect later in the report.

Foreign collaboration proposals which fail to materialise form varying percentages of the effective agreements during different periods. For instance, during 1977-81 infructuous collaboration proposals formed 43 per cent of the effective agreements. The corresponding shares for 1964-70 and 1970-73 were 16 and 5 per cent, respectively. Inability of the parties to agree on the terms of collaboration, failure of the collaborators to fulfil their commitments and emergence of unfavourable conditions such as imposition of emergency, financial stringency and raw material difficulties were the

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<sup>9</sup>. India, Ministry of Finance, Economic Survey: 1993-94, 1994.

<sup>10</sup>. Actual inflows of direct foreign investment during April 1991 to September 1993 at US \$ 790.4 mn. form 21.96 per cent of the total approvals of US \$ 3444 mn. during 1991, 1992 & 1993 (Jan-Oct). Form the total direct investment approvals being equal to the corresponding figures reported in SIA Newsletter, one expects that the actual inflows of NRI investments (under 40 and 100 per cent schemes) are not outside the approval data.

<sup>11</sup>. It appears that no mechanism exists to systematically relate approvals with the precise projects/companies set up for the purpose. The DSIR which has been entrusted with the task of compiling a National Register of Collaborations also doesn't seems to be not in a position to follow up the approvals.

<sup>12</sup>. See "51 Cos to hike foreign equity by Rs 1041 cr" in Times of India, January 22, 1994. According to press reports Bata's proposal to hike foreign equity has been delayed.

main reasons cited in this regard.<sup>13</sup> Given the short period that has elapsed since the approvals were granted, it seems only too early to draw any firm conclusions about the gap between the approvals and the actual inflow.

A variety of additional reasons to the ones already known have been advanced to explain the slow response of foreign investors since adoption of the new economic policies. These range from the stock scam to the Ayodhya incident and bomb blasts in Bombay to the inability to alter bureaucratic attitudes to the minority nature of the Central Government implying political instability and the consequential uncertainty regarding the continuation of the liberal policy regime. Among the other factors that have been reported to be responsible for the slow rate of inflow are delays in introducing the promised policy changes in specific sectors, failure to bring in a new labour legislation and the inability to loosen bureaucratic rigidities. Foreign investors are said to be following a 'wait and watch' approach. An atmosphere is also sought to be created and comparisons have often been made with other countries notably China. The stress is on further liberalising the investment climate.

Two types of issues are involved here. *One*, the policy measures that need to be taken to attract comparatively higher levels of foreign investment suitable for the country's immediate and long term needs. And *two*, to find out why the approved proposals are not getting implemented. Have the foreign investors' perceptions of the country changed since receiving the approvals or, have the objective conditions in India changed in the interregnum? How many of these parties would still wish to pursue the projects? Is the nature of the projects such that they take a long time to materialise which is responsible for the apparent delay? Has the anticipated support at various levels of official approvals, in particular at the state level, not been forthcoming? Have the Indian collaborators been found wanting in meeting their part of the obligations? Has the policy mix so changed that it is no longer a profitable proposition to invest in India, or are other countries offering better opportunities? Answers to these and related questions would be relevant for determining policy follow up. A study of this nature has practical relevance to the future policy formulation towards foreign investment besides contributing significantly to the discussion on the factors influencing foreign investment in developing countries in general and India in particular.

### **Factors Influencing Foreign Investment**

Literature on transnational corporations (TNCs), the chief vehicle for foreign investment, relates the flow of capital to the host country policies and the extent of political stability. Of late, it has also been highlighted that environmentally hazardous industries may get relocated in Third World countries where regulations are less stringent or non-existent<sup>14</sup>. The UNCTC publications<sup>15</sup> do not suggest unambiguous conclusions regarding the theory of foreign private capital.

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13. See: RBI, Foreign Collaboration in Indian Industry: Fourth Survey Report, 1985.

14. A select list of studies relating to determinants of foreign direct investment is appended.

15. Notable among these are: Foreign Direct Investment and Transfer of Technology in

The following factors appear to influence TNCs' decision to produce abroad:

- (a) Use of affiliates abroad as links to regional markets rather than the world market at large;
- (b) To serve domestic markets of host countries rather than towards exporting from foreign sites;
- (c) As a strategy to protect foreign markets;
- (d) To modify products to meet local requirements; and
- (e) Lower production costs when the product is produced where it is consumed.<sup>16</sup>

The UNCTC noted that with the exception of a host country's market size, it tends to be ownership advantages which emerge as the most decisive determinants of foreign direct investment. Among the ownership advantages R & D intensity, operating as an indicator of technological creativity, is a key factor underlying the ability of many TNCs to produce and market in a wide range of countries. Advertising intensity reflecting the importance of product differentiation and marketing as a central facet of an enterprise's competitiveness is another characteristic the TNCs were found to display. A third key element of advantage relates to importance of management expertise in such firms. Concentration at the industry level was also found to be influencing foreign investment.

From the point of view of the host country, the following observations of the UNCTC regarding the determinants of foreign investment are of direct relevance. Among the locational advantages the host country market size is an almost immutable determinant of the level of FDI. The UNCTC survey observed that while historically tariff protection was a strong inducement for FDI taking part in import-substituting strategies, this can no longer be considered as a contemporary policy option. The survey also finds clear evidence to the effect that a supply of cost-effective labour constitutes an important location advantage for developing countries aiming at attracting export-oriented foreign affiliates. With regards to incentives, the UNCTC survey finds that the traditional investment packages (for example lowering of tax rates) may have had compromising effects in terms of both the efficiency of the investments stimulator and the distribution effects generated. However, it is possible that while other factors

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India, 1992; The Determinants of Foreign Direct Investment: A Survey of the Evidence, 1992; World Investment Directory, 1992, Volume I: Asia and the Pacific, 1992; World Investment Directory, 1992, Volume II: Central and Eastern Europe, 1992; World Investment Report, 1992: Transnational Corporations as Engines of Growth, 1992; Government Policies and Foreign Direct Investment, 1991; World Investment Report: The Triad in Foreign Direct Investment, 1991; Foreign Debt and Home Country Policies, 1990; Transnational Corporations and International Economic Relations: Recent Developments and Selected Issues, 1989; Transnational Corporations in World Development: Trends and Prospects, 1988; Joint Ventures as a form of International Economic Cooperation, 1988; License Agreements in Developing Countries, 1987; Transnational Corporations and Technology Transfer: Effects and Policy Issues, 1987; and Trends and Issues in Foreign Direct Investment Related Flows, 1985.

<sup>16</sup>. UNCTC, Transnational Corporations in World Development: Trends and Prospects, New York, 1988, pp. 96-97.



take a more central position in TNCs' investment decisions, once a company decides to invest in one of a number of similarly placed countries, incentives may tilt the balance towards a particular location.

The position of potential risk among the determinants of FDI remains empirically somewhat enigmatic. While political risks seem to have turned out secondary when compared to economic factors, the evidence seems to indicate that political instability is a more clear-cut negative influence on transnational corporations<sup>17</sup> than ideology *per se*. Thus, countries with a long-term record of political turmoil are treated with generalised scepticism by transnational corporations, whilst those with a stable regime which even though do not accommodate substantial foreign ownership are considered suitable for some form of collaboration. A general conclusion emerging out of the UNCTC reports is that economic strength, not the degree of openness of investment regimes, is the primary determinant of location of foreign investments.<sup>18</sup>

Studies on the Indian experience with foreign capital are quite limited in number. A study of Indian data covering the period 1975-76 to 1980-81 found that foreign investment was high in those industries which were characterized by high degree of product differentiation as also those which are intensive in the use of knowledge embodied in human skills.<sup>19</sup> On the other hand, technical collaboration was a dominant mode of foreign operation in industries intensive in the use of knowledge embodied in capital goods. The study also observed that the import substitution programme followed by the country encouraged the erstwhile exporters to the country to set up local production facilities.

One of the main conclusions of the UNCTC survey was that local market operations of transnational corporations mainly occur where an adequate level of host country demand is backed by import restrictions. Local cost factors that could provide a genuinely complement to the firm's ownership advantage are rarely relevant in this context.<sup>20</sup>

It may, however, be noted that the evidence taken into account by the UN studies is not only limited but also somewhat outdated.<sup>21</sup> The 'eighties, particularly the later half, witnessed overwhelming changes in the socialist world and the increased demand for foreign investment in the developing world. This was either due to autonomous developments or because of the restructuring of economies as insisted upon by the

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17. In this respect the observations of Mr. John Malott, US deputy assistant secretary of state, are relevant. He said that whenever riots occur in India, American businessmen become concerned about making investments and if economic growth was to be achieved, peace and stability were important. See: "Economic stability vital: Malott", Times of India, June 23, 1993, p. 9.

18. See: UNCTC, World Investment Report, 1991 : The Triad in Foreign Direct Investment, 1991.

19. Nagesh Kumar, Multinational Enterprises in India, Routledge, London, 1990.

20. UNCTC, Determinants, *op. cit.*, p. 64.

21. Most of the studies referred to by the UNCTC in their report on determinants of foreign direct investment were published during the early 'eighties or prior to that. Even a number of publications of the post-1985 period do not appear to have been based on recent empirical data.

multilateral bodies, the prominent ones being the IMF and the World Bank.

### **Objectives of the Study**

The Ministry of Finance, Department of Economic Affairs suggested that a research programme may be taken up at the Institute to study the issues discussed in the foregoing in detail with an emphasis on actual inflow of approved investments. The main objectives of the study can be summarised as:

- (i) to find out the stages of implementation of large projects;
- (ii) to identify the reasons for delays if any, in project implementation;
- (iii) to identify further steps that would be required to encourage greater inflow of foreign investment;
- (iv) to identify the characteristics of approved proposals;
- (v) to indicate the direction of impact of new foreign investments; and
- (vi) to suggest a mechanism for monitoring the implementation of the collaboration projects.

Further investments by companies incorporated in India with controlling interests lying abroad are outside the scope of the project. For instance, the initial venture may invest further in the country either in the form of subsidiaries or further joint ventures. Such indirect investments, though important for understanding the spread and impact of foreign investment on the domestic industry, are not within the purview of the present study. Similarly, investments by institutional investors are also not studied as they are in the nature of portfolio investment.

### **Methodology and Data Sources**

In the following we discuss the issues involved and the manner of approach and methodology to be followed for various aspects of the study. Foreign collaboration approvals granted by the government during the two-year period August 1991 to July 1993 were taken as the universe for the study. During this period 2,965 foreign collaborations were approved by the government together with the Reserve Bank of India. Out of these 1,295 cases involved financial participation (Rs. 9,175.97 crores) and the remaining were for technology licensing agreements (including supply of designs and drawings) only.<sup>22</sup>

The data for the study has been collected from multiple sources. Details of the foreign investment and technical collaborations approved since the introduction of the new industrial policy are available mainly from three sources: (i) the Indian Investment Centre which provides these details in their *Monthly Newsletter*, (ii) the Department of Industrial Development which provides data on approvals in the *SIA Newsletter*, also a monthly, and (iii) the annual compilations of *Foreign Collaborations* by the Department of Scientific & Industrial Research (DSIR), Ministry of Science & Technology. Approved collaborations as reported by the Indian Investment Centre (IIC) form the main database

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<sup>22</sup>. See : SIA Newsletter, September, 1993.

for this study. Since June 1992, IIC has started reporting data on approved equity and percentage of foreign share in addition to the particulars on (a) name of the Indian party, (b) foreign collaborator and the country, (c) product of manufacture and type of collaboration: technical, financial or supply of designs & drawings. For equity data in respect of collaborations approved during August 1991 to May 1992, we relied upon the DSIR compilations and the *SIA Newsletter*. In a few cases neither of these two sources, however, provided the required information. Moreover, the coverage of the annual compilations of DSIR and the *IIC Newsletter* was not uniform. The problems were of many types. In certain cases, the two sources *i.e.* DSIR & IIC, differed substantially.

### **Problems with Data on Investment Approvals**

One major disadvantage noticed with these data is that information on the parties involved is partial and lacks uniformity. For instance, what has been reported under 'Indian Company' could be an individual who would transfer the collaboration to a new company which is yet to be set up for implementing the project. The party could be an Indian company which would promote a new corporate entity to implement the joint venture or the 'Indian Company' itself could implement the project. Again this could be a company newly incorporated specifically for the purpose before seeking official approval for the collaboration or, it could be a company which has been in existence for some time and the new collaboration enables it to offer its equity to the foreign investor. Similarly, when the 'Foreign Collaborator' is an individual or a 'Group' one is not sure ultimately who would hold the equity in the joint venture.<sup>23</sup>

In some cases the addresses given were of the hotels where the foreign companies or the visiting non-resident Indians were staying. In many NRI proposals the name of the NRI and the address in India appears to be a temporary one. For instance, a proposal to invest Rs. 54.00 crore for manufacture of Beer was approved in January 1993 in the name of Mr. Vickram R. Tikkoo. The address given was Suite No. 302-303 Ashok Hotel, 50 B Chanakyapuri, New Delhi - 21. The name of the foreign collaborator was simply stated as 'NRI'. These sources also do not indicate either the proposed location of the project or the estimated employment that would be generated.

Besides these problems we also found it difficult to generate the database consistent with all the three sources referred to above. The tentative nature of the approved investment figures is reflected in the following. For 1992, the monthly foreign investment proposals approved by RBI and SIA for 1992 as reported by the IIC to amount to Rs. 3,801.54 crores. For the same period, SIA reported an investment of Rs. 3,890 crores and DSIR's figures were Rs. 3,887.90 crores. The number of collaborations involving foreign equity participation (including NRI investment) shows a much greater divergence. The number of financial collaborations reported for 1992 by IIC were 689. SIA also reported a similar number *i.e.*, 692. But DSIR reported them to be 736. However, in the DSIR compilations we found case-wise investment details for only 715

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<sup>23.</sup> In some cases, the companies have already changed their names after the approval of the collaboration.

approvals. The total amount turned out to be Rs. 4,003.97 crores which is higher than the IIC and SIA figures by more than Rs. 100 crores. This figure would have gone up further had the investment data for the remaining 21 cases also been available.

A more serious problem is that revisions in approvals or, approvals by SIA/FIPB and RBI for essentially the same project remain unreconciled and thus were counted multiple times, the corresponding amounts being added more than once. This problem could be partly attributed to the new approval procedure introduced in 1991. Instead of the one centralised agency of SIA, now there are two: SIA/FIPB and RBI. For instance, the IIC has reported the collaborations relating to Reliance Polyethylene Ltd and Reliance Polypropylene Ltd twice each with an investment of Rs. 30 crores by Itochu Corporation of Japan in each case. It is clear from the prospectuses of these companies -- that only Rs. 60 crores investment was involved and not Rs. 120 crores<sup>24</sup>.

A few other cases of significance are as follows. The Indian Investment Centre (IIC) reported that Richardson Vicks was permitted to invest Rs. 3,783.53 lakhs in Procter & Gamble India Ltd, thereby increasing their stake in Procter & Gamble India Ltd from 40 to 51%. The Department of Scientific & Industrial Research (DSIR), however, reported an amount of only Rs. 526.55 lakhs against this approval. Interestingly enough, there was another collaboration reported by IIC which refers to the Procter & Gamble India's collaboration with Procter & Gamble (P&G) USA for the manufacture of psyllium husk. The amount involved was Rs. 144.6 lakhs. However, DSIR does not report any collaboration for psyllium husk. Further, according to the *SIA Newsletter*, this amount was on account of increase in the share of Procter & Gamble USA in the Indian company from 51 to 65%. It was not possible for us to resolve whether this collaboration refers to another company (to be) promoted by P&G India and P&G USA or is meant to further increase the share of the American parent company in the existing Indian subsidiary. In the latter case, it is difficult to understand how a mere Rs. 144.6 lakhs can increase the foreign share by 14 percentage points while for increasing the share from 40 to 51% (*i.e.* 11 percentage points) an additional amount of Rs. 3,783 lakhs were to be brought from abroad. Further, the DSIR reported that the second collaboration approved in the name of P&G India was with P&G USA for synthetic detergents for which the foreign parent would be paid knowhow fee and royalty but no foreign investment was to be involved.

The following cases further illustrate the problems involved in arriving at a consistent database of collaboration approvals during August 1991 to July 1993.

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<sup>24</sup>. The relevant entries are: Sl Nos. 28 and 29 of Government approvals in the November 1992 issue and 26 and 27 in the December 1992 issue of the IIC Newsletter. While the entry at Sl.No. 29 in the November 1992 issue is missing the country totals for Japan for the month clearly indicate that the missing entry carried an investment of Rs. 30 crores with it. The available entry for Reliance Polyethylene Ltd gives the approval No. and date as FC.II. 415(92) 30/11/92, the corresponding entry in the list of approvals in December 1992 bears the same approval date with 1/12/92 as the approval date. The approval number and date for Reliance Polypropylene was FC.II 416 1/12/92. It thus becomes obvious that the missing entry refers to RPPL.

- (i) In the case of the collaboration of Mangalore Refinery & Petrochemicals Ltd (MRPL) with UOP Inter Americana Inc, IIC had reported an investment of Rs. 1726.24 lakhs, which, as is generally understood, was to be the share of foreign collaborator i.e., UOP Inter Americana Inc. in this case. The DSIR, however, reported this amount as repatriable NRI investment. A letter from UOP confirms that the approval does not involve their equity investment. The prospectus of the MRPL issued in connection with its public issue in May 1992, does not show any firm allotment to NRIs. Instead, partially convertible debentures with Rs. 58.26 crores were reserved for *preferential allotment* to NRIs/persons of Indian origin on repatriation basis.
- (ii) IIC reported that the collaboration of Dadi Balsara with Dadi Jowissa for manufacture of quartz watches was only technical in nature while the SIA newsletter in its February 1993 issue reported that this collaboration was to be wholly foreign owned with the foreign collaborator contributing Rs. 26 crores. The DSIR gave further break up of this investment between foreign collaborator (Rs. 12.74 crores) and NRI (Rs. 13.26 crores).
- (iii) The proposal of RPG Enterprises Ltd to collaborate with Goldstar Co. Ltd, South Korea was approved in May 1992. According to the SIA, the foreign equity involved was Rs. 10.68 crores. The DSIR, however, reported this amount as Rs. 105.77 crores. In both cases the foreign share was to be 40 per cent only. This was either due to a printing mistake or the proposal was revised. In the latter case such a revision would have been reflected in the list of cases in which equity hike was allowed during the period August 1991 to September 1993. This collaboration, however, does not figure in the list.
- (iv) Three financial collaboration proposals were reported by IIC involving Escorts Ltd. and BMW Ltd; one each in November 1991, February 1992 and April 1994. RBI was not involved in any of these. In all these, the reported Item(s) of Manufacture was 'Four Stroke IC engine for motor cycle and four stroke motor cycle body'. It is obvious that in effect, there can be only one collaboration between the two parties for the manufacture of motor cycles.
- (v) Two collaborations were reported involving Mid-east Integrated Steels Ltd and China Metallurgical Import and Export Corporation of China. The first one was reported to have been approved by RBI for a total investment of Rs. 28.53 crores which gives the Chinese company a 48.33 per cent share in the Indian joint venture for manufacturing 'Pij(g)iron'. The second approval reported for March 1993 was credited to the Government of India with an investment of Rs. 7.5 crores (7.5 per cent in the joint venture) for manufacturing 'Iron and Steel Products'. Are these two different collaborations?
- (vi) The IIC reported that Asian Finance and Investment Corporation Limited was given approval to invest in Bhagwati Gases Ltd. by SIA in April 1993 and by RBI in May 1995. The amounts involved were Rs. 5.00 lakhs and Rs. 39.70 lakhs

respectively. In both cases, the product involved was the same.

- (vii) Mr. Sanjay Jain, a Director of Rajasthan Breweries Ltd., had obtained SIA/FIPB approval for a financial collaboration with Danbrew Ltd, Denmark in November 1991 for manufacture of Barley Malt and Extract. The DSIR compilations indicate that the company would be paying DK 4.00 lakhs lumpsum fee besides 2% royalty on exports. However, Another collaboration was approved in the name of Rajasthan Breweries Ltd for the same product and with the same foreign collaborator during in December 1991 by the RBI. Again from the DSIR compilations it was seen that the lumpsum fee amount was DK 24.10 and royalty was 2% on internal sales and 8% on exports. The point is whether payment on account of royalty was remitted abroad in both the approvals. Further, RBI had approved another collaboration again in December 1991 between Rajasthan Breweries Ltd. and Danbrew for manufacture of beer this time lumpsum payment being DK 17.60 lakhs and 3 and 8% royalty on domestic and export sales respectively. This raises the possibility of separate payments being approved for intermediate and final products.
- (viii) Two collaborations were reported one in November 1992 by RBI and the other in February 1993 by FIPB/SIA in the name of Intrix Systems Pvt Ltd. The RBI approval was with Kay Apte Intrix Systems Group Inc., California and the other one with Intrix Group Inc. In both cases the collaboration was for computer software.
- (ix) DSIR reported the following two collaborations in 1992. One involving Pistofibre India Ltd., Bangalore and Pistofibre International, Belgium to manufactures Pistofibre Plastic Rock Wool/Glass Wool/Marine Ceramic. The terms were Rs. 111.80 lakhs (26.00 per cent) foreign equity; royalty of 5 and 8 per cent apply on domestic and export sales respectively and a lumpsum fee of DM 4.00 lakhs for a period of 10 years. Another entry was in the name of Dinesh Ranka, Bangalore, with rest of the information being exactly the same except the royalties were to be paid for 5 years and duration of the agreement was given as 2 years. The IIC gives the address of Dinesh Ranka as C/o Pistofibre India Ltd.

This description of the problems in data is meant to serve two purposes. One, this limitation has affected the tabulations at the aggregate level presented later in this study; two, these problems highlight the lack of coordination between different sources involved in granting the approvals and the ones compiling this information. While at the aggregate level the total approved investments may not be affected significantly, one finds that revisions in the approvals or granting approvals for the same collaborations by different authorities is yet to be streamlined.

### **Questionnaires**

For eliciting the views of collaborating partners and to find out the status of implementation of the projects, two sets of questionnaires

were devised in consultation with the Department of Economic Affairs: one for the Indian collaborator and the other for the foreign investor. The questionnaires sought to cover the main objectives of the study. Besides the theoretical aspects of foreign investment, information was sought on specific policy issues concerning India and the overall investment climate prevailing in the country. In view of the fact that responses to questionnaires are generally low, it was proposed to send questionnaires to all the Indian collaborators and those foreign investors for whom complete address could be obtained.<sup>25</sup> In all, 1,550 questionnaires were mailed; 1,187 to Indian collaborators and 363 to the foreign investors. To ensure reasonable number of responses, the Indian parties were sent a reminder letter towards the end of January 1994.

To get an idea about the status of implementation of the projects, we relied upon other sources besides the questionnaires. Chief among these is the extensive monitoring system of the English press and the current literature on wide-ranging socio-economic issues developed at the Institute for Studies in Industrial Development (ISID).<sup>26</sup> The ISID also maintains a library of prospectuses issued by Indian companies. This is another major source that the present study has benefitted from. We have also referred to important Indian business magazines and other periodicals for this exercise.

Efforts were made to get the addresses of all the companies which received investment approvals. We did not fully succeed in compiling the addresses of many of the foreign investors granted approvals by the FIPB or the RBI. In cases where the foreign investor had applied directly and there was no local associate or where the applicant's address abroad was not available, we were unable to send the questionnaires. The situation was worse with regard to the Non-Resident Indian (NRI) category of the approvals. In some cases even the name of the Indian company is not given. This is probably because the collaboration was approved in the name of the foreign investor and either the Indian party was not identified at that time or the company to implement the project was not incorporated in India. In a few cases the address given was care of some firm or individual. Our communications to them were returned by the postal authorities with the envelope marked as 'addressee left'.

The case of five Jaipur based companies may illustrate the point better.

All the collaborations given above were approved in June 1992 by the Reserve Bank of India under the automatic approval scheme. In place of address, the *Monthly Newsletter* of the Indian Investment Centre just mentioned the location *i.e.*, namely Jaipur. On checking the new registrations as reported in the *Company News & Notes* we found that all these companies were registered on 23rd of April 1992 with an authorised

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<sup>25.</sup> It is a matter of concern that from official publications we could not get the full addresses of foreign investors. It appears that at present not all the information collected from the applications is being computerised.

<sup>26.</sup> The ISID maintains press clipping volumes on about 100 topics. A computerised index to select clippings in these volumes enables simultaneous search across subjects and different time periods.

capital of Rs. 5.00 lakhs each. The address given was P. No. F-9 Industrial Area, Bindayaka, Sirsi Rd., Jaipur. Interestingly, five more companies -- (i) Renomex (India) Ltd -- (this could be Resonex); (ii) Resonex Imaging Ltd; (iii) Resonex Kinomatics Ltd; (iv) Palco Angiographics Ltd; and (v) Resonex Medicals Ltd were registered on the same day with the same industrial classification and with the same amount of authorised capital, in the same industrial area but with different plot numbers. The DSIR compilation of *Foreign Collaborations*, 1992 also gave the same addresses for the five companies listed above. It is significant to note that all the five questionnaires were returned to us by the postal authorities with inscription *prapt karta yahan par nahin rahta hai* (addressee does not stay at this address).

**List of Five Jaipur Companies which Received Approval for  
Foreign Investment & Technology  
Under the RBI Automatic Approval Scheme**

| Name of the Indian Company      | Foreign Equity (Rs. lakhs)<br>26% of total | NRI Equity (Rs. lakhs)<br>15% of total | Name of the Foreign Collaborator & Country | Item(s) of Manufacture                         | Lumpsum in lakhs of US\$<br>net of tax and duration of collaboration |
|---------------------------------|--|--|--|--|--|
| Protech Endoscopies Ltd         | 158.30                                     | 92.42<br>(142.20)*                     | G U Mfg Co Ltd., UK                        | Surgical Instruments                           | 3.19<br>7  |
| Protech Laproscopic Ltd         | 140.00                                     | 83.88<br>(119.69)*                     | Protech Medical Assn., USA                 | Leprosopic Surgery<br>Leproscope               | 2.90<br>10   |
| Protech Video Imaging Ltd       | 155.25                                     | 91.20<br>(138.18)*                     | M P Video Inc., USA                        | Leprosopic Surgery                             | 2.58<br>10   |
| Minimal Invasive (USSL) Ltd     | 167.45                                     | 98.52<br>(156.67)*                     | ST Surgical & Lap Corp., USA               | Light Source & Camera                          | 3.06<br>10   |
| Laprosopic Surgeries (USSL) Ltd | 166.53                                     | 97.30<br>(154.66)*                     | Alton Dear Medical Inc., USA               | Pressure Irrigation used in Laprosopic Surgery | 3.10<br>10   |

\* Figures in brackets are the NRI investments reported by DSIR, Foreign Collaborations, 1992. The amounts include investment on non-repatriation basis also.

Source: Indian Investment Centre, Monthly Newsletter, July 1992. Duration of collaboration and lumpsum payments were taken from DSIR, Foreign Collaborations, 1992.

The timing of company registration and approval from the RBI, and similarities in companies' names point out to the involvement of a single person or group of persons acting in concert with probably little intention of doing genuine business. Simultaneous promotion of five



other companies, one of which also seems to have received a collaboration approval, creates further doubts about the genuineness of these parties. The point is: where have all the companies gone? Why should there be five separate companies for manufacture of related items? Since the total lumpsum payment works out to about Rs. 5.00 crores has the one-third amount, which is allowed as the first installment, i.e. approximately Rs. 1.50 crores been remitted abroad? What is the nature of the foreign collaborators? Do they really exist? If they exist, do they have the necessary means to finance the equity and the capability to transfer technology to the Indian companies? What is the possibility of many more such companies taking advantage of the automatic approval process? Answers to these questions would provide an indication of whether there is a need to scrutinise the collaboration seekers or these are only stray incidents and the overall scheme is functioning to the benefit of genuine small and medium entrepreneurs.

In view of the time limitations it was not possible for us to pursue our enquiries with the non-responding ones and the whose letters were returned to us undelivered. One finds a number of spelling mistakes in the official lists and publications. While one may try to correct the names of the Indian companies, though with a degree of uncertainty, it is a near impossibility to correct and standardise the names of foreign companies and their addresses particularly those belonging to non-English speaking countries like Japan, Germany, Switzerland, Sweden and Austria.

### **Plan of the Report**

The present study is divided into five chapters. Chapter one besides giving the background to the study and the issues involved, explains the methodology, data sources and the problems therein. Chapter two gives an over view and the main characteristics of the investments approved during the period under study. Size and country-wise distribution and the role of NRIs in the new approvals are some of the issues examined in this Chapter. Chapter three presents an analysis of the technical collaboration approvals. Besides an analysis of terms of payments, the types of collaborations that have been approved and their implications have been examined. Certain practices associated with NRI investments are also described. Chapter four provides an estimate of the foreign investment involved in the projects which made public offer of equity capital since the beginning of 1991-92. An attempt was also made to provide a consolidated picture of the status of the approved foreign investment projects. In view of the importance of the largest thirteen approvals which account for more than half of the total investment approved during August 1991 to July 1993, special notes on the cases have been appended. And lastly, Chapter five presents an analysis of the responses of Indian partners and foreign investors to questionnaires sent to them to elicit views and perceptions and the problems at implementation of the approved projects.

## Chapter Two

### FOREIGN INVESTMENT PROPOSALS: AN OVERVIEW

Since initiation of the new economic policies in July 1991, Indian economy has been opened up and approvals of technical and financial collaborations have been made more liberal and easier. The number of collaborations approved has risen sharply. The highest number of approvals during the 'eighties was 1024 in 1985. During 1992 and 1993 the number of approvals stood at 1520 and 1476, respectively. The total numbers of approvals, however, do not reflect the change that got initiated during the 'eighties. During the pre-'nineties period the number of financial collaborations constituted a small percentage of the overall approvals falling in the range of 25-30 per cent during the 'eighties. In 1993, the number of financial collaborations approved reached 53.2 per cent. (See Table - 1).

**Table - 1**  
**Growing importance of Financial Collaborations**  
(Number of collaborations)

| Year | Approved Collaborations |       | Share of Financial Collaborations in Total(%) |
|------|-------------------------|-------|---|
|      | Financial               | Total |   |
|      | (1)                     | (2)   | (3)   |
| 1973 | 34                      | 365   | 9.32  |
| 1974 | 55                      | 359   | 15.32   |
| 1975 | 40                      | 271   | 14.76   |
| 1976 | 39                      | 277   | 14.08   |
| 1977 | 27                      | 267   | 10.11   |
| 1978 | 44                      | 307   | 14.33   |
| 1979 | 32                      | 267   | 11.99   |
| 1980 | 65                      | 526   | 12.36   |
| 1981 | 57                      | 389   | 14.40   |
| 1982 | 113                     | 590   | 19.22   |
| 1983 | 129                     | 673   | 19.17   |
| 1984 | 151                     | 752   | 20.00   |
| 1985 | 238                     | 1024  | 24.59   |
| 1986 | 242                     | 957   | 25.26   |
| 1987 | 242                     | 853   | 28.25   |
| 1988 | 282                     | 926   | 30.45   |
| 1989 | 194                     | 605   | 32.07   |
| 1990 | 194                     | 666   | 29.13   |
| 1991 | 289                     | 950   | 30.42   |
| 1992 | 692                     | 1520  | 45.53   |
| 1993 | 785                     | 1476  | 53.18   |

Source: Based on the data provided in: (i) India, Department of Scientific & Industrial Research, Ministry of Science & Technology, Foreign Collaborations, a

compilation for 1973 to 1980; (ii) India, Ministry of Industry, Handbook of Industrial Statistics, 1988 & 1992 for 1981 to 1989; (iii) SIA Newsletter, October 1993 for 1990 to 1992; (iv) Indian Investment Centre for 1993.

The numbers, however, do not reveal the real change in the past three years. One needs to look at the size of the financial investments having foreign origin, which were approved each year. The size of foreign investments approved in 1981 was nearly Rs. 10.9 crores. The peak year during the 'eighties was 1989 when the approvals aggregated Rs. 316.7 crores. There was a multifold increase in 1991 to Rs. 5,341 crores from the low of Rs. 128.3 cr in 1990. During 1992 the size of the approved investment rose to Rs. 3,879.16 crores; more than 7 times that of the 1991 level; and the year 1993 saw the level reaching Rs. 8,861.8 crores, nearly two and a half times the mark achieved in 1992. The rise in the size of the foreign investment proposals may, however, appear to be a bit overstated in terms of Indian currency because of the substantial changes in exchange rates. (See Table - 2).

**Table 2**  
**Foreign Investment Approved During 1981 - 1993**

| Year | Approved Investment<br>(Rs. Cr.) | Exchange Rate<br>(Rs. per US \$) | Approved Investment<br>(Cr. US \$) |
|------|----------------------------------|----------------------------------|------------------------------------|
| (1)  | (2)                              | (3)                              | (4)                                |
| 1981 | 10.87                            | 8.97                             | 1.21                               |
| 1982 | 62.81                            | 9.67                             | 6.50                               |
| 1983 | 61.87                            | 10.34                            | 5.98                               |
| 1984 | 113.00                           | 11.89                            | 9.50                               |
| 1985 | 126.07                           | 12.24                            | 10.30                              |
| 1986 | 106.95                           | 12.78                            | 8.37                               |
| 1987 | 107.70                           | 12.97                            | 8.31                               |
| 1988 | 239.75                           | 14.48                            | 16.56                              |
| 1989 | 316.66                           | 16.65                            | 19.02                              |
| 1990 | 128.32                           | 17.94                            | 7.15                               |
| 1991 | 534.11                           | 24.47                            | 21.82                              |
| 1992 | 3879.09                          | 25.97                            | 149.37                             |
| 1993 | 8861.80                          | 31.36                            | 282.58                             |

Source:1. Approved Investment : India, Ministry of Industry, Hand Book of Industrial Statistics, 1988 for 1981-92 and for 1993 Indian Investment Centre.

2. Exchange Rates : India, Ministry of Finance, Economic Survey, 1993-94. For the period 1981 to 1991 the reported figures correspond to the financial years i.e., 1980-81, 1981-82, etc. For 1992, the rate represents the average of monthly official rates for April 1992 to February 1993. The rate for 1993 was

calculated by averaging the market rates for April to December 1993.

The approvals are essentially made at two levels. Automatic approvals under the new industrial policy are given by the Reserve Bank of India (RBI). The remaining are dealt with by the Foreign Investment Promotion Board (FIPB) and the Secretariat for Industrial Approvals (SIA). In terms of the amount approved FIPB occupies a far more important position compared to the SIA. While the RBI approved nearly one-third of the cases the gross value of these investment proposals was less than one-tenth of the total investment approved during August 1991 to July 1993. The aggregate foreign investment approved by the RBI and the FIPB stood at nearly Rs. 9,000 crores (See Table - 3). A significant feature of the approvals is that while the average size of a proposal is less than Rs. 8.00 crores, the largest 13 proposals accounted for more than half of the overall total foreign investments approved since July 1991. The proposals with Rs. 10.00 crores and higher investment size were only 116 out of 1,295 i.e. less than 9 per cent, but these claimed more than 85 per cent of the gross investment approved. The pattern of approvals makes it clear that the success or failure of the expectations with regard to inflow of foreign capital is dependent upon a small number of investors.

The RBI approvals are by and large of automatic nature and most of these cases would probably be of the small scale sector having less than 24 per cent foreign equity. One would observe that of all the proposals approved, nearly half of the approved proposals accounted for only one per cent of the total (each proposal having investment size of less than Rs. 50.00 lakhs). The size of investments may not be substantial but there appears to be an increase in foreign collaborations by the organised small scale sector. In a sense, the proliferation of small investments could indicate the widening base of foreign collaborations and its percolation to a wider group of entrepreneurs. This, however, would be a natural consequence of the policy of encouraging upto 24 per cent foreign investment in small scale units.

#### **Extent of Foreign Ownership**

It has been often argued that restrictions on the percentage share of foreign equity that is allowed to foreign investors (40 per cent, as contemplated under the FERA) have been a deterrent to foreign investors and the TNCs. It is, therefore, expected that removal of FERA restrictions on holding of majority stake would encourage large investment inflows, especially from TNCs. Quite contrary to the general belief that foreign investors insist on having majority equity, the experience of India, as also many other countries of the world, has been that most of the TNCs chose the strategy of equity dilution. By doing so none of the parent companies lost control of its Indian subsidiary or associate. Infact, it was a blessing in disguise for foreign investors as it reduced their liability in the over all while at the same time they could retain control over management. There are a variety of non-equity mechanisms. It is yet to be seen if the new large investments, if wholly motivated by such a consideration, would materialise because the FERA like restrictions exist no more.

**Table - 3**  
**Distribution of Foreign Investment Approvals**  
**According to Size of Investment (August 1991 to July 1993)**  
(Amount in Rs. crores)

| Equity Range              | No. of<br>collab-<br>orations | Approved<br>foreign<br>investment | Percentage<br>share in<br>total |
|---------------------------|-------------------------------|-----------------------------------|---------------------------------|
| (1)                       | (2)                           | (3)                               | (4)                             |
| <b>RBI Approvals</b>      |                               |                                   |                                 |
| No equity data            | 10                            | 0.00                              | 0.00                            |
| Less than Rs. 10 lakhs    | 115                           | 5.01                              | 0.54                            |
| Rs. 10 to 50 lakhs        | 145                           | 32.72                             | 3.50                            |
| Rs. 50 lakhs to Rs. 1 cr. | 38                            | 26.72                             | 2.85                            |
| Rs. 1 to 5 crores         | 80                            | 175.66                            | 18.80                           |
| Rs. 5 to 10 crores        | 13                            | 84.81                             | 9.08                            |
| Rs. 10 to 100 crores      | 24                            | 609.44                            | 65.23                           |
| All Approvals             | 425                           | 934.36                            | 100.00                          |
| <b>FIPB/SIA Approvals</b> |                               |                                   |                                 |
| No equity data            | 36                            | 0.00                              | 0.00                            |
| Less than Rs. 10 lakhs    | 143                           | 6.43                              | 0.08                            |
| Rs. 10 to 50 lakhs        | 219                           | 56.84                             | 0.71                            |
| Rs. 50 lakhs to Rs. 1 cr. | 96                            | 65.95                             | 0.83                            |
| Rs. 1 to 5 crores         | 234                           | 498.09                            | 6.25                            |
| Rs. 5 to 10 crores        | 50                            | 322.33                            | 4.05                            |
| Rs. 10 to 100 crores      | 79                            | 2,298.42                          | 28.85                           |
| Rs. 100 crores & above    | 13                            | 4,717.83                          | 59.23                           |
| All Approvals             | 870                           | 7,965.89                          | 100.00                          |
| <b>All Approvals</b>      |                               |                                   |                                 |
| No equity data            | 46                            | 0.00                              | 0.00                            |
| Less than Rs. 10 lakhs    | 258                           | 11.44                             | 0.13                            |
| Rs. 10 to 50 lakhs        | 364                           | 89.57                             | 1.01                            |
| Rs. 50 lakhs to Rs. 1 cr. | 134                           | 92.67                             | 1.04                            |
| Rs. 1 to 5 crores         | 314                           | 673.75                            | 7.57                            |
| Rs. 5 to 10 crores        | 63                            | 407.14                            | 4.37                            |
| Rs. 10 to 100 crores      | 103                           | 2,907.86                          | 32.67                           |
| Rs. 100 crores & above    | 13                            | 4,717.83                          | 53.01                           |
| All Approvals             | 1,295                         | 8,900.26                          | 100.00                          |

Source: Based on ISID computer database on foreign collaborations generated from official publications. Due to non-availability of investment data for a few approvals and due to inconsistencies in data given by different sources, the aggregate amount reported here differs from the corresponding official figures.

Is it that the joint venture form of foreign investment is giving way to the sole ownership ventures? One may recall that a number of branches and subsidiaries of foreign companies were operating in India prior to the enactment of FERA, 1973. The number of foreign subsidiaries came down substantially due to the implementation of the Foreign Exchange Regulation Act, 1973.<sup>27</sup> This was in spite of the fact that majority foreign equity share was not banned in cases of high technology and export-oriented companies. Some of the companies, notably those in the drugs & pharmaceutical sector, voluntarily diluted their foreign equity to 40 per cent. Now since the new industrial policy provides for automatic approval of majority foreign equity in a number of industries it is not unlikely that many of the existing minority companies would prefer to hike their equity share (See Table -4 for an illustrative List of cases in which hike in the percentage of foreign equity has been approved). It is too early to argue whether the enhanced percentage would give higher advantages than the loss it could bring. One major loss would be that these units (which raise their equity stake to majority) would not be able to hide their foreign identity. While it can be argued that foreign image brings easy consumer acceptability, the other side of the operational reality can be in rejection of its products whenever national sentiments get to dominate public debate.

One should imagine that large foreign investors would normally prefer to have an Indian counterpart instead of going all alone. This would be particularly true for new foreign investors. By associating Indian collaborators the foreign investors obtain access to the local network of contacts, political clout, business and operational realities. Association of a local industrial group may also help in avoiding discrimination at the administrative level. These hard realities alone can explain joint ventures among world renowned TNCs joining hands with the top monopoly groups of India. It is too obvious. To illustrate we give a list of such cases in Table - 5.

Table - 6 gives the distribution of approvals over the two year period and Table - 6A gives the corresponding distribution for the three years 1981 to 1983. It can be seen that there is a clear shift in the pattern of approvals. In the early 'eighties, the distribution was overwhelmingly in favour of percentage ranges up to 40 per cent. Out of the total amount of Rs. 208 crores as much as 93 per cent of the investment fell in this category. The share of 100% subsidiaries in the approved investment was a mere 0.65 percent. In contrast, 100% subsidiaries accounted for 16.73 per cent of the approved investment during the present study period. It may be noted that these results hold good even if we leave out the cases involving equity hike in the existing cases.

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<sup>27</sup>. The number of Indian subsidiaries of foreign companies came down from 202 in 1973 to 66 by March 1988. The number of foreign branches was reduced to nearly 300 by 1981 compared to 541 in 1972. See: S.K. Goyal, Directory of Statistics of International Investment and Production in India, a study prepared from the United Nations Centre on Transnational Corporations (UNCTC), 1990.

**Table - 4**  
**SELECT LIST OF EQUITY HIKE CASES APPROVED SINCE AUGUST 1991**

| NAME OF THE COMPANY                       | % INCREASE TO    |
|---|------------------|
| AKG ACOUSTICS (INDIA) LTD                 | 39 TO 55         |
| ALBARAKA FINANCE HOUSE LTD                | 40 TO 51         |
| ALPHA HYDRONICS LTD                       | 0 TO 50          |
| ALPHA WOVEN LABELS (INDIA) PVT LTD        | TO MAINTAIN 51%  |
| AMAJIN AGRO EXPORTS LTD                   | 0 TO 58          |
| ANNAPURNA KENMORE TUBE PRODUCTS INDIA LTD | 9.16 TO 49       |
| ASEA BROWN BOVERI LTD                     | 36.80 TO 50.99   |
| ASIAN CAN LTD                             | 0 TO 4.75        |
| ASSAM CARBON PRODUCTS LTD                 | 30.30 TO 51.00   |
| ASSOCIATED PRECISION SPINDLES LTD         | 0 TO 7.21        |
| AXLES INDIA LTD                           | 33 TO 40         |
| B BRAUN (I) PVT LTD                       | 0 TO 51          |
| BARIUM CHEMICALS LTD                      | 0 TO 24.24       |
| BATA INDIA LTD                            | 40 TO 51         |
| BBR INDIA LTD                             | 36.25 TO 40      |
| BEIERSDORF INDIA LTD                      | HIKE TO MAJORITY |
| BIRLA 3M LTD                              | 40 TO 65         |
| BLACKE DURR KAVERI PVT LTD                | 40 TO 51         |
| BS&B SAFETY SYSTEMS (I) LTD               | 40 TO 50         |
| BUNDY TUBING OF INDIA LTD                 | 7.45 TO 51       |
| BUSE INDIA PVT LTD                        | 40 TO 51         |
| BUSH BOAKE ALLEN (INDIA) LTD              | 38.15 TO 51      |
| BUSH BOAKE ALLEN (INDIA) LTD              | 51 TO 70         |
| CADBURY INDIA LTD                         | 40 TO 51         |
| CARRIER AIRCON LTD                        | 40 TO 51         |
| CG HARTMANN & BRAUN LTD                   | 40 TO 50         |
| CHAITRA LEO BURNETT PVT LTD               | 10 TO 24         |
| CHAMPDANY INDUSTRIES LTD                  | 0.02 TO 48.54    |
| CHEMITHON ENGINEERS PVT LTD               | 39.5 TO 50       |
| COEN BHARAT LTD                           | 40 TO 57         |
| COLOUR CHEM LTD                           | 40 TO 51         |
| COMPUTER KONTOR COMMUNICATION (I) PVT LTD | 40 TO 51         |
| CORN PRODUCTS CO (INDIA) LTD              | 40 TO 51         |
| CREDIT CAPITAL FINANCE CORPN LTD          | 25 TO 40         |
| CUSTOM CAPSULES PVT LTD                   | 39.50 TO 49      |
| DELNORTE TECHNOLOGY (I) PVT LTD           | 0 TO 40          |
| DIGITAL EQUIPMENT (INDIA) LTD             | 40 TO 51         |
| DREWTRREAT CHEMICALS PVT LTD              | 26 TO 42.50      |
| E MERCK (INDIA) LTD                       | 40 TO 51         |
| EASTERN KING GRANITES PVT LTD             | 40 TO 51         |
| ELKEM METALLURGY PVT LTD                  | 40 TO 51         |
| ELVINA LAB LTD                            | 0 TO 51          |
| EMAG MACHINE INDIA PVT LTD                | 39.9 TO 78.30    |
| EMCO DYNATORQ TRANSMISSIONS PVT LTD       | 0 TO 30          |
| EWAC ALLOYS LTD                           | 40 TO 50         |

(Contd...)

| NAME OF THE COMPANY                    | % INCREASE TO  |
|--|----------------|
| FERRO ALLOYS CORPN LTD                 | 0 TO 9.3       |
| FESTO CONTROLS PVT LTD                 | 40 TO 51       |
| FISKARS INDIA LTD                      | 40 TO 60       |
| FUTEX STEEL INDUSTRIES PVT LTD         | 40 TO 50       |
| GARGI HUTTENS-ALBERTUS PVT LTD         | 25 TO 40       |
| GEOMETRIC TOOLS PVT LTD                | 0 TO 40        |
| GL REXROTH INDS LTD                    | 35 TO 51       |
| GLAXO INDIA LTD                        | 40 TO 51       |
| GOVIND RUBBER LTD                      | 0 TO 1.24      |
| GREAVES FOSECO LTD                     | 50 TO 51       |
| GUJARAT GUARDIAN LTD                   | 40 TO 50       |
| GUPTA CARPETS UDYOG LTD                | 0 TO 27.3      |
| HIGH TEMP FURNACES PVT LTD             | 21.43 TO 47.65 |
| HILTON RUBBERS LTD                     | 16.6 TO 20     |
| INDAG RUBBER LTD                       | 26 TO 66       |
| INDIA PHOTOGRAPHIC CO LTD              | 39.5 TO 51     |
| INDIAN SEWING MACHINE CO LTD           | 40 TO 51       |
| INDIAN SHAVING PRODUCTS LTD            | 40 to 51       |
| INDO FLOGATES LTD                      | 35 TO 40       |
| INDO MAXWELL LTD                       | 15.29 TO 20.50 |
| INDO RAMA SYNTHETICS (INDIA) LTD       | 37 TO 49       |
| INDO SCHOTTLE AUTO PARTS PVT LTD       | 24.5 TO 29.83  |
| INDOCAN ENGINEERING SYSTEMS PVT LTD    | 40 TO 51       |
| INDOMAG STEEL TECHNOLOGY PVT LTD       | 40 TO 51       |
| INVEL TRANSMISSIONS LTD                | 40 TO 48.8     |
| IOL LTD                                | 39.76 TO 51    |
| JALEX CONNECTORS SYSTEMS LTD           | 40 TO 51       |
| JALEX CONNECTORS SYSTEMS LTD           | 51 TO 80       |
| JORD ENGINEERS INDIA LTD               | 0 TO 8         |
| KARNATAKA CRYSTALS LTD                 | 25 TO 40       |
| KEYSTONE VALVES (I) LTD                | 40 TO 51       |
| KINETIC HONDA MOTORS LTD               | 28.56 TO 51    |
| KONE ELEVATOR INDIA LTD                | 51 TO 73       |
| KOYANA ROCLA PIPES LTD                 | 30 TO 40       |
| KOYANA ROCLA PIPES LTD                 | 40 TO 51       |
| LIFELINE DRUGS LTD                     | 0 TO 11        |
| LIPTON INDIA LTD                       | 40 TO 51       |
| LLOYD'S REGISTER INDL SERVICES (I) LTD | 40 TO 51       |
| LOCTITE INDIA PVT LTD                  | 60 TO 100      |
| LONDON RUBBER CO (I) LTD               | 40 TO 42.70    |
| LOTUS CHOCOLATE CO LTD                 | 0 TO 40.2      |
| MADURA COATS LTD                       | 39.9 TO 51     |
| MARUTI UDYOG LTD                       | 40 TO 50       |
| MC-BAUCHEMIC INDIA PVT LTD             | 51 TO 73       |
| MILES INDIA LTD                        | 40 TO 50.55    |

(Contd...)



| NAME OF THE COMPANY                               | % INCREASE TO |
|---|---------------|
| MONTEX GLASS FIBRE INDS PVT LTD                   | 0 TO 39.2     |
| MOTOROLA BLUE STAR LTD                            | 40 TO 51      |
| MOTOROLA SINGAPORE PTE LTD                        | 84.8 TO 100   |
| MSA (INDIA) LTD                                   | 30 TO 39.99   |
| NANZ FOOD PRODUCTS LTD                            | 40 TO 50%     |
| NESTLE INDIA LTD                                  | 46.01 TO 51   |
| NEW WAY CHEMICALS & POLISHES LTD                  | 26 TO 51      |
| O/E/N CONNECTORS LTD                              | 26 TO 51      |
| OKS SPECIALITY LUBRICANTS (INDIA) PVT LTD         | 26 TO 40      |
| ORISSA EXTRUSION LTD                              | 0 TO 22.34    |
| PEICO ELECTRONICS & ELECTRICALS LTD               | 39.7 TO 51    |
| PELIKAN LEATHER PRODUCTS PVT LTD                  | 0 TO 43.75    |
| PEPSI FOODS LTD                                   | 39.9 TO 44.35 |
| PEPSI FOODS LTD                                   | 44.35 TO 51   |
| PHILIPS MEDICAL SYSTEMS INDIA (P) LTD             | 40 TO 51      |
| PROCTER & GAMBLE INDIA LTD                        | 40 TO 51      |
| PROCTER & GAMBLE INDIA LTD                        | 51 TO 65      |
| PSI DATA SYSTEMS LTD                              | 40 TO 51      |
| QUEST INTERNATIONAL INDIA LTD                     | 40 TO 51      |
| RAMESH FLOWERS PVT LTD                            | 40 TO 51      |
| SAF YEAST CO LTD                                  | 40 TO 51      |
| SANDEN VIKAS INDIA LTD                            | 40 TO 49      |
| SCHENCK AVERY LTD                                 | 40 TO 50 %    |
| SCHENCK AVERY LTD                                 | 40 TO 50      |
| SECURITY ELECTRONICS PVT LTD                      | 0 TO 40       |
| SESA GOA LTD                                      | 40 TO 51      |
| SPIC JEL ENGINEERING LTD                          | 24 TO 40      |
| SRF NIPPONDENSO LTD                               | 0 TO 37.2     |
| STANDARD COMMERCIAL TOBACCO PVT LTD               | 0 TO 33.33    |
| STEELCAST LTD                                     | 0 TO 2.20     |
| STELLAR MODULAR SYSTEM PVT LTD                    | 0 TO 25.2     |
| STERILE FILTRATION FERMENT. & SEPARATION TECH PVT | 0 TO 19       |
| STOVEC INDUSTRIES LTD                             | 40 TO 51      |
| SUJATA DATA PRODUCTS LTD                          | 0 TO 11       |
| TARA SINHA MCCANNERICKSON LTD                     | 40 TO 51      |
| TRUMAC ENGG CO LTD                                | 36 TO 45      |
| UNI ABEX ALLOY PRODUCTS LTD                       | 20 TO 45.32   |
| UNIKELLER INDIA PVT LTD                           | 35 TO 49      |
| USHA DRAGER CO LTD                                | 40 TO 51      |
| USHA MARTIN INDUSTRIES LTD                        | 5.18 TO 29.25 |
| VESTAS RRB INDIA LTD                              | 0 TO 25       |
| VIBROMECH ENGG PVT LTD                            | 0 TO 40       |
| VOITH INDIA LTD                                   | 40 TO 49      |
| VXL INDIA LTD                                     | 1.73 TO 10.63 |
| WALLACE PHARMACEUTICALS LTD                       | 40 TO 49      |
| WMI CRANES LTD                                    | 0 TO 30       |

**Table - 5**  
**SELECT LIST OF FINANCIAL COLLABORATIONS ENTERED**  
**INTO BY Indian LARGE INDUSTRIAL HOUSES**  
**DURING AUGUST 1991 TO JULY 1993**

| HOUSE/COMPANY NAME COLLABORATOR              | FOREIGN FINANCIAL                        |
|--|--|
| <b>BIRLA</b>                                 |  |
| BIRLA 3M LTD                                 | MINNESOTA MINING & MFG CO (3M)           |
| BIRLA ERICSSON OPTICAL LTD                   | ERICSSON CABLES AB                       |
| BIRLA TECHNICAL SERVICES                     | GIPROMEX & TANIICHERMET                  |
| HINDUSTAN MOTORS LTD                         | GENERAL MOTORS CORPN                     |
| HUKUMCHAND JUTE & INDUSTRIES LTD             | AGIP PETROLI                             |
| KORES INDIA LTD                              | VBM CORPN                                |
| VXL LANDIS & GYR LTD                         | LANDIS & GYR ENERGY MANAGEMENT CORPN     |
| <b>CHIDAMBARAM MA</b>                        |  |
| FIRST LEASING CO OF INDIA LTD                | EQUIFAX INC                              |
| MANALI PETROCHEMICALS LTD                    | MITSUI TOATSU CHEMICAL INC               |
| SOUTHERN PETROCHEMICALS INDS CORPN LTD       | PIONEER OVERSEAS CORPN                   |
| SPIC JEL ENGINEERING LTD                     | JURONG ENGINEERING LTD                   |
| <b>ESCORTS</b>                               |  |
| ESCORTS LTD                                  | BMW MOTORRAD GMBH & CO                   |
| ESCORTS LTD                                  | HUGHES NETWORK SYSTEMS INC               |
| GOETZE (INDIA) LTD                           | NANZ INDIA KG                            |
| <b>ESSAR</b>                                 |  |
| ESSAR INVESTMENTS LTD                        | STENA OFFSHORE LTD                       |
| ESSAR INVESTMENTS LTD                        | CHANDARIA GROUP GENEVA                   |
| <b>GODREJ</b>                                |  |
| GODREJ & BOYCE MFG CO LTD                    | GENERAL ELECTRIC CO                      |
| GODREJ & KIS PVT LTD                         | ESTUR FINANCE INC                        |
| <b>GOENKA</b>                                |  |
| BTP INDIA LTD                                | BTP PLC                                  |
| HARRISONS MALAYALAM LTD                      | ENI GROUP FIZZALE & MATTEI               |
| HARRISONS VANDERHAVE                         | VANDERHAVE HOLDING INT'L DIJKWEISESTRAAT |
| RPG ENTERPRISES LTD                          | GOLDSTAR CO LTD                          |
| <b>JHAWAR</b>                                |  |
| USHA MARTIN INDUSTRIES LTD                   | TEAM INC                                 |
| USHA MARTIN INDUSTRIES LTD                   | MARTECH LTD                              |
| <b>KHATAU</b>                                |  |
| COLOUR CHEM LTD                              | HOECHST ATKIENGESSELCHAFT                |
| RANVIR N KHATAU X-FLOW (INDIA) LTD           | X-FLOW BV                                |
| <b>KIRLOSKAR</b>                             |  |
| KIRLOSKAR BROTHERS LTD                       | COPELANDS CORPN                          |
| KIRLOSKAR SILK INDS LTD                      | DAIYA TRADING CO LTD                     |
| MYSORE KIRLOSKAR LTD                         | SYNDER GENERAL CORP                      |
| <b>L&amp;T</b>                               |  |
| EWAC ALLOYS LTD                              | CASTOLIN SA LAUSANNE ST SULPICE          |
| L&T NIRO LTD*                                | NIRO ATOMIZER A/S (NIRO)                 |
| <b>LALBHAI</b>                               |  |
| ARVIND MILLS LTD                             | INTERNATIONAL FINANCE CORPN              |
| <b>MAFATLAL</b>                              |  |
| MAFATLAL CONSULTANCY SERVICES (I) LTD        | KEY POWER INC                            |
| YOGINDER MAFATLLA (INDIAN DYESTUFF INDS LTD) | ENICHEM SYNTHESIS SPA                    |
| <b>MAHINDRA</b>                              |  |
| KOTAK MAHINDRA FINANCE LTD                   | INTERNATIONAL FINANCE CORPN              |
| MAHINDRA STEEL SERVICES CENTRE               | MITSUBISHI CORPN                         |
| MAHINDRA UGINE STEEL CO LTD                  | MATHEWS CONTRACTING INC                  |

(Contd...)

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HOUSE/COMPANY NAME COLLABORATOR

FOREIGN FINANCIAL

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**MODI**

GUJARAT GUARDIAN LTD  
INDIA REPROGRAPHIC SYSTEMS PVT LTD  
MK MODI  
MODI ENTERPRISES & THE HINDITRON GROUP  
MODI LEASING & CAPITAL SERVICES LTD  
MODI MCKENZIE METHANE LTD  
MODI OVERSEAS INVESTMENT LTD  
SBEC SYSTEMS (I) LTD  
THE WALT DISNEY CO

GUARDIAN INDUSTRIES CORPN  
ALCATEL CIT  
HAEGENS HOLLAND BV  
RJ REYNOLDS TOBACCO INTL SA  
WOLFF STEEL LTD  
MEKENZINE METHANE CORPN  
MANDARIN ORIENTAL INTL LTD  
SBEC SYSTEMS LTD  
THE WALT DISNEY CO

**OBEROI**

OBEROI CAMARCO PVT LTD

CAMARCO LTD

**RANBAXY**

MAX INDIA LTD  
MONTARI INDUSTRIES LTD  
RANBAXY LABORATORIES LTD

GIST BROCADES INTERNATIONAL BV  
BALLY INTL LTD  
ELI LILLY NEDERLAND BV

**RELIANCE**

MUDRA COMMUNICATIONS LTD  
RELIANCE INDUSTRIES LTD  
RELIANCE PETROPRODUCTS LTD  
RELIANCE POLYOLEFINES LTD  
RELIANCE POLYPROPYLENE LTD

DDB NEEDHAM WORLDWIDE INC  
C ITOH & CO LTD & THEIR INTL CONSORTIUM  
MITSUBISHI JAPAN & BASF AKT  
C ITOH & CO LTD  
C ITOH & CO LTD

**SHRI RAM**

VIVEK BHARAT RAM

BENETTON GROUP SPA

**TATA**

ACC-NIHON CASTINGS LTD  
AT&T SWITCHING SYSTEMS (I) PVT LTD  
DREW TREAT CHEMICALS PVT LTD  
FORBES TINSLEY CO PVT LTD  
GOKAK PATEL VOLKART LTD  
LIEBERT SYSTEMS SUPPORT EQUIP PVT LTD  
POLYCOAT POWDERS LTD  
TATA CONSULTANCY SERVICES  
TATA INDUSTRIES LTD  
TATA TEA LTD  
TATA TELECOM LTD

NIHON CEMENT CO LTD  
AT&T INTL INC  
DREW CHEMICAL CORPN  
H TINSLEY & CO.  
SIMBBA TEXTILE MILLS PVT LTD  
LIEBERT CORPN  
VALSPAR INC.  
SWISS AIR TRANSPORT CO LTD  
IBM WORLD TRADE CORPORATION  
NIPPON YUSEN KABUSHIKI KAISHA (NYK)  
AT&T NETWORK SYSTEMS INTERNATIONAL

**THAPAR**

BILT ELECTRONICS LTD  
CG HARTMANN & BRAUN LTD  
CTR MANUFACTURING INDUSTRIES LTD  
GREAVES COTTON & CO LTD  
GREAVES COTTON & CO LTD  
GREAVES FOSECO LTD  
THAPAR DU PONT LTD

SUMITOMO  
HARTMANN & BRAUN A G  
CORKEN INTERNATIONAL CORPN  
MGO TECHNOCHIM  
FORNEY INTERNATIONAL INC  
FOSECO PLC  
EI DU PONT DE NEMOURS & CO

**TVS**

AXLES INDIA LTD  
TURBO ENERGY LTD

EATON LTD  
ACTIENGELLESCHAFT KUHULE

**UB**

BEST & CROMPTON ENGG LTD  
KONE ELEVATOR INDIA LTD  
UB GROUP

ROY F WESTON INC  
KONE OY & FINNISH FUND FOR IND DEV CORP  
UNITED DISTILLERS PLC

**USHA RKKR**

USHA DRAGER CO LTD  
USHA MARCONI MICROELECTRONICS LTD  
USHA MARCONI MICROELECTRONICS LTD  
USHA RECTIFIER CORP INDIA LTD

DRAGERWERKE AKTI  
LESSAG HBB GMBH  
NRI  
MATRA CENTRE ELECTRONIQUE

**WALCHAND**

PREMIER AUTOMOBILES LTD

AUTOMOBILES PEUGEOT

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**Table - 6**  
**Distribution of Approved Investments**  
**According to Foreign Share (August 1991 to July 1993)**

(Amount in Rs. crores)

| Percentage Range                       | No. of Companies | Amount Approved | Share in total % | Commulative Share (%) |
|--|------------------|-----------------|------------------|-----------------------|
| <b>A. Including Equity Hike Cases:</b> |                  |                 |                  |                       |
| Not Available                          | 52               | 83.85           | 0.94             | 0.94                  |
| Less than 10                           | 77               | 134.08          | 1.51             | 2.45                  |
| 10.0 to 25.0                           | 214              | 1213.46         | 13.63            | 16.08                 |
| 25.0 to 40.0                           | 327              | 1107.58         | 12.44            | 28.52                 |
| 40.0 to 50.0                           | 235              | 998.11          | 11.21            | 39.73                 |
| 50.0 to 74.0                           | 290              | 3803.92         | 42.75            | 82.48                 |
| 74.0 to 99.9                           | 34               | 70.07           | 0.79             | 83.27                 |
| 100                                    | 66               | 1489.19         | 16.73            | 100.00                |
| All Categories                         | 1295             | 8900.26         | 100.00           |                       |
| <b>B. Excluding Equity Hike Cases:</b> |                  |                 |                  |                       |
| Not Available                          | 50               | 48.05           | 0.59             | 0.59                  |
| Less than 10                           | 72               | 122.45          | 1.50             | 2.09                  |
| 10.0 to 25.0                           | 202              | 1199.78         | 14.67            | 16.76                 |
| 25.0 to 40.0                           | 304              | 1082.22         | 13.23            | 29.99                 |
| 40.0 to 50.0                           | 208              | 947.87          | 11.59            | 41.58                 |
| 50.0 to 74.0                           | 223              | 3285.66         | 40.18            | 81.76                 |
| 74.0 to 99.9                           | 30               | 68.52           | 0.83             | 82.59                 |
| 100                                    | 63               | 1423.39         | 17.41            | 100.00                |
| All Categories                         | 1152             | 8177.93         | 100.00           |                       |

Note: see Table - 3.

Source: Same as in Table - 3.

**Table - 6A**

**Distribution of Approved Investments According to Foreign Share (1981 to 1983)**

(Amount in Rs. crores)

| Percentage Range | No. of Companies | Amount Approved | Share in total % | Cumulative Share (%) |
|------------------|------------------|-----------------|------------------|----------------------|
| (1)              | (2)              | (3)             | (4)              | (5)                  |
| Not Available    | 3                | 0.31            | 0.15             | 0.15                 |
| Less than 10     | 6                | 1.11            | 0.53             | 0.68                 |
| 10.0 to 25.0     | 70               | 24.95           | 11.96            | 12.64                |
| 25.0 to 40.0     | 160              | 168.31          | 80.65            | 93.29                |
| 40.0 to 50.0     | 9                | 10.65           | 0.51             | 93.80                |
| 50.0 to 74.0     | 22               | 11.20           | 5.37             | 99.17                |
| 74.0 to 99.9     | 5                | 0.38            | 0.18             | 99.35                |
| 100              | 2                | 1.35            | 0.65             | 100.00               |
| All Categories   | 277              | 208.68          | 100.00           |                      |

Source: Based on data provided in India, Department of Scientific Industrial Research, Foreign Collaboration compilations for 1981, 1982 & 1983.

## Country-wise Investment Approvals

Due to historical reasons, at the time of political independence of India, United Kingdom dominated the foreign investment scene in India. The other countries had only a nominal presence. Out of the total business investments of Rs. 287.57 crores as on June 30, 1948 as much as Rs. 209.95 crores (70 per cent), was held by UK companies. If one excluded investment from Pakistan, which was there for technical reasons only, UK's share would rise to nearly three-fourths of the total. The investments of companies from USA stood at 6.52 per cent only<sup>28</sup>. Overtime the relative importance of UK has declined and foreign investments in the Indian continent have become far more diversified. The PL 480 played an important role in bringing US investments to India. The funds helped the entry and consolidation of US investments in India in a variety of ways. Other major investors are from European countries, in particular Germany. Since the beginning of the 'eighties, Japan has also made its presence felt, especially in the automobiles and electronics industries.

Given the relative freedom now offered to foreign investors, one should expect that the sources of foreign investments would get further diversified. At the same time since advanced technology is concentrated in the hands of large TNCs, having U.S. as their place of central control, there may be a change in the pattern and the U.S. may gain even a better foothold in India. As better or higher technology is no more a special consideration for permitting new investments, one may find a larger participation from capital surplus countries like Japan, Germany and the Netherlands. The entry of Third World transnationals from oil rich nations could also be expected.

The one country that seems to have taken the lion's share in the foreign investment approvals is the United States of America. It commands more than two-fifths of the gross investments approved under the new economic policies. Switzerland follows as a distant second with a share of about 11.06 per cent. Among the top 10 countries, seven are industrially advanced ones. The Non-Resident Indians (NRIs) are from all over the world. Thailand surprisingly appears to occupy a higher place than Germany which has been an important investor in India for a long time (See Table-7).<sup>29</sup> This needs to be read with caution.

In the past certain TNCs from advanced countries invested in India through their subsidiaries and associates in locations other than their home country. For instance, foreign equity in Nestle India was held from Bahamas Islands and in Pfizer it was from Panama though their respective parent companies belong to Switzerland and USA.<sup>30</sup> Similarly, Xerox Corp, a US transnational corporation, invested in India through its subsidiary in U.K. and Digital Equipment of USA invested in its Indian joint venture through its subsidiary in the Netherlands. This should not be surprising as much of the foreign direct investment flows are between the developed countries themselves. A TNC could choose any

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<sup>28</sup>. See: Reserve Bank of India, Report on the Survey of India's Foreign Liabilities and Assets as on 31st December 1953, Bombay 1955, p. 75.

<sup>29</sup>. The official country-wise details for the period August 1991 to July 1993 is not available. SIA has been reporting country-wise details on a calendar year basis. The discussion is based on official classification to avoid any possible mis-interpretations due to missing data. This would, however, not affect the purpose of the study adversely.

<sup>30</sup>. See for instance: S.K. Goyal, Impact of Foreign Subsidiaries on India's Balance of Payments, a report prepared for the CTC-ESCAP Joint Unit, Bangkok, 1979.

**Table - 7**  
**Country-wise Distribution of Foreign Investment**  
**Approved during 1991 to 1993 (up to July)**

(Amount in Rs. crores)

| Country              | Amount Approved by |                 |                  | % Share<br>in Total |
|----------------------|--------------------|-----------------|------------------|---------------------|
|                      | RBI                | FIPB/SIA        | Total            |                     |
| (1)                  | (2)                | (3)             | (4)              | (5)                 |
| U.S.A.               | 492.38             | 3,804.64        | 4,297.02         | 42.07               |
| Switzerland          | 108.32             | 1,020.95        | 1,129.27         | 11.06               |
| NRIs                 | 50.76              | 795.82          | 846.58           | 8.29                |
| Japan                | 158.58             | 612.24          | 770.82           | 7.55                |
| U.K.                 | 170.99             | 559.21          | 730.20           | 7.15                |
| Netherlands          | 55.21              | 397.90          | 453.11           | 4.44                |
| Thailand             | 1.92               | 366.40          | 368.32           | 3.61                |
| Germany              | 56.40              | 214.85          | 271.25           | 2.66                |
| Mexico               | 0.00               | 228.98          | 228.98           | 2.24                |
| France               | 30.43              | 145.43          | 175.86           | 1.72                |
| Italy                | 8.07               | 141.56          | 149.63           | 1.46                |
| Singapore            | 6.78               | 104.52          | 111.30           | 1.09                |
| Hongkong             | 6.42               | 83.70           | 90.12            | 0.88                |
| Australia            | 14.92              | 69.41           | 84.33            | 0.83                |
| Malaysia             | 75.88              | 7.14            | 83.02            | 0.81                |
| Korea (South)        | 5.19               | 53.60           | 58.79            | 0.58                |
| Sweden               | 24.50              | 31.51           | 56.01            | 0.55                |
| Denmark              | 22.30              | 20.59           | 42.89            | 0.42                |
| China                | 28.68              | 8.55            | 37.23            | 0.36                |
| Canada               | 4.43               | 28.44           | 32.87            | 0.32                |
| Belgium              | 0.20               | 26.23           | 26.43            | 0.26                |
| Taiwan               | 0.46               | 22.97           | 23.43            | 0.23                |
| Russia               | 4.74               | 17.23           | 21.97            | 0.22                |
| Austria              | 1.09               | 15.69           | 16.78            | 0.16                |
| Portugal             | 0.00               | 14.00           | 14.00            | 0.14                |
| Finland              | 0.08               | 13.70           | 13.78            | 0.13                |
| Saudi arabia         | 0.26               | 10.67           | 10.93            | 0.11                |
| Philippines          | 0.40               | 10.05           | 10.45            | 0.10                |
| Norway               | 3.95               | 0.02            | 3.97             | 0.04                |
| Ireland              | 0.01               | 1.50            | 1.51             | 0.01                |
| Other countries      | 0.88               | 2.44            | 3.32             | 0.01                |
| <b>All countries</b> | <b>1,355.83</b>    | <b>8,858.30</b> | <b>10,214.13</b> | <b>100.00</b>       |

Note: The country-wise totals did not match with the total for all the countries in the original source.

Source: Based on India, Ministry of Industry, SIA Newsletter, August 1993.

one of the countries as a platform.<sup>31</sup> A better representative country distribution may emerge if this phenomenon is taken note of. In the present study, we are confining to citing some examples which serve to appreciate this point better.

Spica Investments Ltd., an Overseas Body Corporate (OCB), "predominantly owned and controlled by the Chandaria Family who are Non-resident Indians of Indian origin", is the main promoter of Steelco Gujarat Ltd which came to the public in August 1993. According to the company's prospectus:

The contribution equivalent to 40% of total Equity of STEELCO, is being made by SPICA Investments Limited, Mauritius, (SPICA). SPICA is an Overseas Body Corporate, predominantly owned and controlled by the Chandaria Family who are Non-Residents of Indian origin.

Earlier, the Chandaria Family had planned to make the proposed investment in STEELCO through Spica Financial Corporation, Panama (SFC), an Overseas Body Corporate. Thereafter, it was decided to make this investment through SPICA, which is a 99.98% subsidiary of SFC.<sup>32</sup>

It may also be noted that the addresses of individual Chandarias on the Board of Steelco indicate that the Chandarias may be living in United Kingdom and Singapore. Chandarias manufacturing units are 'spread across the Americas, Europe, Africa, Australia and South-East Asia'. The Chandarias could have invested from any of these countries depending upon the relative advantages foreseen by them. While the official records would classify the present investment against Mauritius, it could very well have come from Mexico.

The following examples would further illustrate the issues involved. We have seen in the above that Mexico figures among the top 10 investing countries. A close examination of the approvals reveals that out of the total approved investment of Rs. 228.98 crores as much as Rs. 150 crores was due to the collaboration of Nippon Denro Ispat Ltd of the Mittal group with Ispat Mexicana SA DE CV Francisco also of the Mittals, an NRI group.<sup>33</sup>

From Table - 7 it can be seen that an amount of Rs. 111.30 crores was to flow in from Singapore. Company-wise details reveal that out of this amount as much as Rs. 45.00 crores was approved in the name of Cargill South East Asia Pvt Ltd and an additional amount of Rs. 30.50 crores was to be invested by Silicon Graphics Pte Ltd., Singapore. These two companies account for as much as 67.83 per cent of the total investment approved in the name of Singapore during this period which would have been credited to USA had we followed a home country approach. Among the other proposals from Singapore involving an investment of Rs.

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<sup>31.</sup> India too has been playing such a role. For instance, ITC (an affiliate of BAT, UK), Hoechst India (of Hoechst Netherlands), Union Carbide India (Union Carbide of USA) have invested in Nepal. From Nepal's point of view these would be treated as Indian investments.

<sup>32.</sup> See Prospectus of Steelco Gujarat Ltd (issue date : August 12, 1993), p. 9.

<sup>33.</sup> We could, however, identify a total investment of Rs. 155.17 crores only, the other cases being Kalyani Konkan Sponge Iron Ltd (Rs. 5.09 crores) and L.G. Chandrashekhar (Rs. 0.08 crores). This makes the share of Mittals in investment from Mexico as high as 96.67 per cent.

1.00 crore or more there appears to be at least one company each from the USA, UK, Japan and South Korea.

Such a phenomenon could be observed even in the case of developed countries. For instance, AT&T Network System Intl., Eli Lilly Netherlands, Digital Equipment Holdings BV, Bata (BN) BV, GEC Alsthom NV received permission to invest from the Netherlands. Switzerland's case is the most interesting. It occupies second position in the approvals given during the period August 1991 to July 1993 with a total investment of Rs. 1,129.27 crores followed by NRIs in the third position. A close examination of investments from Switzerland reveals that the largest amount of Rs. 600 crores from the country was approved in the name of International Petroleum SA (BVI). (Incidentally, the amount involved in this proposal is the second highest in overall terms, the highest being in the name of Enron, USA). It has turned out that the company's president was one Mr. B.R. Parmar.<sup>34</sup> Going by the surname one cannot but conclude that the company was being headed by a person of Indian origin. The second largest investment from the country was in the name of Chandaria Group of Geneva. We have noted in the above that Chandarias described themselves as "Non-resident Indians of Indian origin". The combined share of Chandarias and Parmars works out to Rs. 862 crores or as much as 76.33 per cent of the total investment approved in the name of Switzerland.

### **Non Resident Indians**

Non Resident Indians are treated as a separate group. The combined share of the NRIs is a little more than eight per cent. This category is an extremely vague one and indeed a confusing one on various counts. Each individual NRI case is unique and has some special characteristic. We give below a few important cases to elaborate the point.

Out of the total amount of Rs. 1,129.27 crores we have case-wise particulars for Rs. 1,115.48 crores which means that the amount shown against NRIs does not include the investment of the two proposals from Switzerland discussed earlier. If we add these investments of Chandarias and Parmars to the reported total investment of NRIs, the contribution of NRIs and persons of Indian origin and their Overseas Corporate Bodies (OCBs) would work out to Rs. 1,708 crores or as much as 16.72 per cent of the total investment approved during this period.

Another interesting case from Switzerland is that of Dadi Jowissa, possibly a relative of Mr. Dadi Balsara, and thus another case of an NRI. This collaboration was approved in the name of Dadi Balsara, Singapore (Indian Party 51%) and Dadi Jowissa, Switzerland (Foreign Collaborator 49%) to set up a Quartz Watches manufacturing facility. The total approved equity was Rs. 26.00 crores. In other words, we could say that persons of Indian origin including NRIs are an important source of foreign investment for India. Coming next only to USA in terms of total approved investments. If we adjust Switzerland's investment figures further for a company's home country (for instance, R.J. Reynolds Tobacco Intl SA belongs to the R J Reynolds of USA) its ranking would plummet further.

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<sup>34</sup>. The controversy involving the proposal has been appearing in the press for quite some time.



We are not sure how other investments by NRIs and persons of Indian origin were dealt with. We have noted a few more cases wherein it was noticed that the investing company was owned and controlled by NRIs.<sup>35</sup> It is possible that at least some of the investments by Caparo Group of Pauls', Hindujas and such other groups may not have been classified under the NRI category. A better country pattern might emerge if the country totals are adjusted for NRI investments. The NRI factor is indeed, likely to render the officially reported country pattern somewhat inconsequential.

The substantial share of NRIs in total investment approved may resemble the experience of China. A significant portion of the huge investment China is reported to have attracted over the years has been from people of Chinese origin. The predominance of NRI investment would have different implications compared to investments by well known transnational corporations. Their role in the Indian industry calls for a detailed study. We have examined this aspect in the subsequent sections, albeit in a limited manner.

### **Industry-wise Pattern**

The *Foreign Exchange Regulation Act, 1973* (FERA), sought to channelise foreign investment into high technology and export intensive sectors. Even while retaining the basic concept of selectiveness, the post-July 1991 phase enlarged the scope for foreign investment. Liberalisation of industrial licensing is the most important policy decision influencing sectoral pattern of foreign investment. It also appears that to generate a demonstrative effect certain high profile collaborations had to be approved. Moreover, with the emphasis on exports of non-traditional and those which were hitherto treated as low-technology based industries, the possibility of changes in industry composition of foreign investment has increased.

Out of the Rs. 9,175.97 crores worth of foreign investment approved during August 1991 to July 1993, Rs. 8,009.83 crores or 88.4 per cent was reported to fall in the Annexure III category of the new industrial policy of July, 1991. Of this amount as much as Rs. 2,013.82 crores was in the power sector and another Rs. 1,679 crores was in the oil refinery sector. Another area which cornered a substantial chunk of the investment was food processing industry with Rs. 1,256.76 crores.<sup>36</sup> These three areas together accounted for more than 60 per cent of the total approved investment in the Appendix III category.

Viewed from a slightly different angle, it emerges that the sectors which hitherto were reserved for the public sector have together attracted the maximum investment. Their combined share was 49.34 per cent (see Table - 8). Assuming that paging and other telecommunication services were classified under services, the share of erstwhile public sector reserved areas would be at least half of the total investment approved.

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<sup>35.</sup> For instance, investments by Petron International Inc., wholly owned by NRIs, were not shown as such.

<sup>36.</sup> "Foreign investment in key sectors tardy", *Financial Express*, October 23, 1993.

**Table - 8**  
**Sector-wise Breakup of Foreign Investment**  
**Approved during the August 1991 - July 1993**  
(Amount in Rs. crores)

| Industry  | No. of<br>Financial<br>Collaborations | Approved Investment |            |
|---|---------------------------------------|---------------------|------------|
|   |                                       | Amount              | % to Total |
| 1 Metallurgical Industries                              | 49                                    | 575.87              | 6.28       |
| 2 Fuels   |                                       |                     |            |
| i) Power  | 7                                     | 2,013.82            | 21.95      |
| ii) Oil Refinery  | 13                                    | 1,679.00            | 18.30      |
| iii) Other  | 12                                    | 68.70               | 0.75       |
| 3 Boilers & Steam Generating Plants                     | 6                                     | 54.59               | 0.59       |
| 4 Telecommunication                                     | 22                                    | 134.70              | 1.47       |
| Sub-Total (1 to 4)                                      | 109                                   | 4,526.67            | 49.34      |
| 5 Electrical Equipment                                  | 231                                   | 603.49              | 6.58       |
| 6 Transportation  | 44                                    | 324.01              | 3.53       |
| 7 Industrial Machinery                                  | 102                                   | 128.63              | 1.40       |
| 8 Machine Tools   | 16                                    | 13.96               | 0.15       |
| 9 Agricultural machinery                                | 3                                     | 5.54                | 0.06       |
| 10 Earth Moving Machinery                               | 6                                     | 0.93                | 0.01       |
| 11 Misc. Mechanical & Engg. Industry                    | 49                                    | 69.51               | 0.76       |
| 12 Commercial, Office &<br>Household Equipment          | 12                                    | 67.67               | 0.74       |
| 13 Medical & Surgical Appliances                        | 12                                    | 6.31                | 0.07       |
| 14 Industrial Instruments                               | 20                                    | 17.32               | 0.19       |
| 15 Scientific Instruments                               | 14                                    | 34.54               | 0.38       |
| 16 Fertilizers  | 1                                     | 0.99                | 0.01       |
| 17 Chemicals (Other than Fertilizers)                   | 135                                   | 652.78              | 7.11       |
| 18 Photographic Raw Film & Paper                        | 1                                     | 7.90                | 0.09       |
| 19 Dye Stuffs   | 3                                     | 12.73               | 0.14       |
| 20 Drugs & Pharmaceuticals                              | 20                                    | 47.82               | 0.52       |
| 21 Textiles (incl. those dyed,<br>printed or processed) | 56                                    | 205.31              | 2.24       |
| 22 Paper & Pulp incl. Paper Products                    | 7                                     | 22.25               | 0.24       |
| 23 Sugar  | 2                                     | 53.50               | 0.58       |
| 24 Fermentation Inds.                                   | 9                                     | 69.98               | 0.76       |
| 25 Food Processing Inds                                 | 109                                   | 1,128.76            | 12.30      |
| 26 Vegetable Oil & Vanaspati                            | 10                                    | 15.82               | 0.17       |
| 27 Soaps, Cosmetics &<br>Toilet Preparations            | 4                                     | 19.16               | 0.21       |
| 28 Rubber Goods   | 14                                    | 12.02               | 0.13       |
| 29 Leather, Leather Goods & Pickers                     | 24                                    | 35.32               | 0.38       |
| 30 Glass  | 5                                     | 51.07               | 0.56       |
| 31 Ceramics   | 42                                    | 54.65               | 0.60       |
| 32 Cement & Gypsum Products                             | 6                                     | 18.82               | 0.21       |
| 33 Consultancy Services                                 | 41                                    | 25.59               | 0.28       |
| 34 Service Sector                                       | 49                                    | 501.96              | 5.47       |
| 35 Hotel & Tourism                                      | 21                                    | 260.49              | 2.84       |
| 36 Trading Cos.   | 60                                    | 20.30               | 0.22       |
| 37 Misc. Industries                                     | 58                                    | 160.10              | 1.74       |
| Total   | 1,295                                 | 9,175.97            | 100.00     |

Source: Based on SIA Newsletter, September 1993.

### Chapter Three

#### TECHNICAL COLLABORATIONS: AN OVERVIEW

The year 1991 marked a turning point in India's economic policies. The policy relating to foreign technology and capital, in particular, got substantially revised and automatic approval procedure was adopted for technical collaborations in specified industries. The extent of equity participation by foreign companies, conditions for collaborations, and the range of industries in which foreign collaboration is freely allowed have been revised to reduce entry point hurdles. This section examines the pattern of approved technical collaborations during the pre and post liberalisation periods.

At the outset, it must be said that our focus in this chapter, for the most part, is on "pure" technical collaborations. We recognize that any joint venture involves some amount of technology transfer. However, in many cases, technology transfer is also accompanied by financial participation by the foreign company. This aspect has been dealt with elsewhere in this report.

Historically, India's policy has been to encourage technical collaboration without financial participation.<sup>37</sup> In view of the importance of technical collaborations, it is only appropriate that we understand the place and contribution of such collaborations in the process of industrial development. It is unfortunate that but for the RBI occasional surveys, there exists no mechanism to regularly monitor the trends and impact of the technical collaborations. One has to rely on the limited information published at the time the approvals are granted (or registered). It has also been found that due to lack of coordination, a good number of the collaborations do not get recorded in the official announcements. With such limitations on data, it is but natural that one can only hope to provide tentative conclusions and suggest the manner in which the reporting system needs improvements.

The following questions are being addressed in the present exercise: (i) the trends in the number of technical collaborations approved; (ii) the country-wise distribution of the approved technical collaborations and changes in the relative importance of source countries; (iii) the industry-wise distribution of the collaborations; and (iv) the pattern of royalty rates and lumpsum payments. Apart from the identification of trends, it has been our effort to isolate the nature of changes resulting from the more liberal and less regulatory approach of the government. We have also sought to highlight the continuance of certain avoidable trends which were noted by the Industrial Licencing Policy Inquiry Committee (ILPIC) as long back as 1969. Some disquieting trends with respect to collaborations by NRIs and in the Memorandum of Understanding (MOU) for exports have been underlined in this study.

The present exercise draws substantially on the DSIR Annual publication *Foreign Collaborations*. The DSIR gives names of the Indian and foreign collaborators, the country of the foreign collaborator (separately for NRIs), and the terms of collaboration. The DSIR compilations have a number of shortcomings, including (a) duplicate

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<sup>37.</sup> This has been emphasized in the RBI's Fourth Survey Report on Foreign Collaboration In Indian Industry. See RBI, Foreign Collaborations in India: Fourth Survey Report, 1985, p. 129.

reporting of collaborations; (b) non-uniformity of the information provided; (c) mistakes in the reporting of lumpsum payments<sup>38</sup>; and (d) mistakes in the reporting of royalty rates<sup>39</sup>. The DSIR reporting is an underestimate of the number of technology collaborations since a significant number of the financial collaborations also involve separate payments on account of technology transfer. We have made attempts to make adjustments for this. Since the DSIR compilation for 1993 is yet not available, the present study ends with December 1992.

**Table - 1**  
**Number and Types of Collaborations Approved**  
**during 1981-1992**

| Year | Number of Technical Collaborations | Number of Financial Collaborations | Number of Design & Drawing Collaborations | Percentage of Technical Collaborations | TOTAL |
|------|------------------------------------|------------------------------------|---|--|-------|
| 1981 | 261                                | 36                                 | 71  | -                                      | 389   |
| 1982 | 364                                | 113                                | 111                                       | 62                                     | 588   |
| 1983 | 443                                | 129                                | 101                                       | 66                                     | 673   |
| 1984 | 464                                | 148                                | 128                                       | 63                                     | 740   |
| 1985 | 620                                | 256                                | 165                                       | 60                                     | 1041  |
| 1986 | 572                                | 256                                | 132                                       | 60                                     | 960   |
| 1987 | 527                                | 259                                | 117                                       | 58                                     | 903   |
| 1988 | 513                                | 289                                | 155                                       | 54                                     | 957   |
| 1989 | 362                                | 212                                | 65  | 57                                     | 639   |
| 1990 | 408                                | 301                                | 94  | 58                                     | 703   |
| 1991 | 565                                | 298                                | 93  | 58                                     | 976   |
| 1992 | 765                                | 675                                | 20  | 50                                     | 1520  |
| 1993 | 691                                | 785                                |   | 47                                     | 1476  |

Source: Based on India, Department of Scientific & Industrial Research, Foreign Collaborations, annual compilations for the years 1981 to 1992 and Indian Investment Centre for 1993.

<sup>38.</sup> For instance, the compilation for 1992 reports that Jac Bala Engineers Pvt Ltd was to pay TAV Spa of Italy and Solo Indl. Furnaces Ltd of Switzerland 450 lakhs Italian Lira and 450 lakhs Swiss Francs respectively. Similarly Gas Authority of India Ltd was permitted to pay 69.70 lakhs US dollars to Stone & Webster Engg. Corp and 69.70 lakhs French Francs to Institut Francais of France. We are also not able to form opinion regarding the collaborations approved in the name of Taneja Aerospace & Aviation Ltd with Partenavia Construzioni Aeronautiche SPA, Italy. The collaboration at Sl. No. 884 was for the manufacture of Light Passenger Aircraft Turbo Prop which carried a lumpsum payment of Italian Lire (IL) 44.90 lakhs in addition to royalty payments. The second collaboration with the same Italian company (Sl. No. 895) was for piston engine for the Light Passenger Aircraft and carried only a lumpsum payment of IL 4490.00 lakhs.

<sup>39.</sup> For 1992, the DSIR reports 285 cases with royalty rates exceeding 5%. However, a manual check of the data reveals only 231 cases!

Note: For 1981, complete data is available for only 309 of 389 collaborations approved.

The ISID has a large data base on foreign collaborations dating back to 1951. The information on this file is limited but extremely comprehensive. Besides updating its data base on collaborations from the India Investment Centre (IIC) and the Secretariat of Industrial Approvals (SIA), the ISID has been monitoring the national English Press and company prospectuses which give valuable information on collaborations. A rich source for this study has been the data base with clipping files and the On Line Index covering fifty social science journals. An advantage with the ISID data bases is that the basic unit of entry is the company. This enables linking of two or more data bases. For instance, "Who owns Whom" for India has been compiled by the ISID. This file is usefully employed to get tabulations according to business associations and control of the Indian Collaborators.

### **Number of Technical Collaborations**

Table -1 gives the year-wise distribution of technical, financial and design & drawing collaborations for the years 1981-1993.

Though the number of technical collaborations has increased in the post-policy era, the increase is not as sharp as in the case of collaborations involving equity participation. The number of technical collaborations approved increased from 565 in 1991 to 765 in 1992, but decreased to 691 in 1993. In contrast, the number of financial collaborations approved (we include technical cum financial collaborations here) increased from 298 in 1991 to 675 in 1992 to 785 in 1993. The number of financial collaborations involving no technology transfer increased in relative terms.<sup>40</sup> The importance given to technical collaborations seems to have got reduced and more approvals are for financial collaborations -- probably, it falls within the overall strategy to attract Foreign Direct Investment. There is a sharp decline in the number of Drawing & Design Collaborations from 93 in 1991 to 20 in 1992.

### **Country-wise distribution**

The following table shows the country-wise and region-wise distribution of technical collaborations from 1981-1993.

Table -2 shows that most of the approved technical collaborations over the years have been with countries of Western Europe and North America. The only exception is in the case of Japan which has now become an important source of industrial technology for India. The East Asian countries like South Korea, Taiwan and Singapore have also begun contributing to this process. In 1992, in numbers, the East Asian countries almost equalled Japan. It appears that Eastern European countries have not been important suppliers of technology.<sup>41</sup> Although Indian industry has diversified, its dependence on the technological resources of North America and West Europe remains strong. In 1981,

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<sup>40.</sup> It is, however, difficult to firmly conclude that if no separate payments for technology are involved no transfer of technology takes place.

<sup>41.</sup> This may be due to the fact that transfer of technology agreements between these countries were mostly with public sector enterprises and these formed part of bilateral agreements and are not reported in the IIC or DSIR compilations.

nearly nine-tenth of the technology agreements approved were with North America and West Europe; by 1992, this percentage decreased to 80%. In 1993, only 76 per cent of all technical collaborations approved were with the countries of North America and West Europe.

#### **Sector-wise distribution**

While comparing the number of collaborations (approved) per year in the pre- and post-liberalization periods, it needs to be noted that the years 1989 and 1990 which were years of political uncertainty. Comparing these years to the ones following liberalization is likely to suggest misleading conclusions. To minimise the influence of this problem, we have compared the average of the five years immediately preceding liberalization with the average of the two years following liberalization (see Table -3).<sup>42</sup>

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<sup>42.</sup> We have compared the total number of collaborations in the pre- and post-policy era. The reason for this is that the Handbook of Industrial Statistics from which we picked the data for the pre-policy era does not give a separate listing for technical collaborations. However, we do not believe that the conclusions reached here would be significantly affected.

Table - 2

**Country-wise and Region-wise Distribution of  
Technical Collaborations, 1981-1993**

|                             | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 |
|-----------------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| NORTH AMERICA               | 60   | 67   | 93   | 93   | 129  | 117  | 142  | 107  | 87   | 89   | 116  | 181  | 153  |
| USA                         | 59   | 66   | 90   | 89   | 120  | 111  | 135  | 102  | 81   | 86   | 109  | 167  | 145  |
| WEST EUROPE                 | 170  | 235  | 283  | 285  | 362  | 337  | 291  | 286  | 180  | 252  | 336  | 429  | 374  |
| GERMANY                     | 49   | 63   | 84   | 86   | 98   | 112  | 91   | 95   | 59   | 80   | 105  | 108  | 98   |
| UK                          | 56   | 73   | 73   | 81   | 90   | 75   | 77   | 79   | 39   | 65   | 85   | 97   | 92   |
| SWITZER-LAND                | 19   | 28   | 35   | 23   | 29   | 18   | 15   | 25   | 13   | 25   | 34   | 43   | 28   |
| ITALY                       | 11   | 24   | 25   | 28   | 38   | 41   | 32   | 22   | 18   | 23   | 35   | 47   | 29   |
| FRANCE                      | 16   | 16   | 33   | 30   | 48   | 26   | 28   | 24   | 19   | 17   | 26   | 36   | 28   |
| HOLLAND                     | 4    | 9    | 7    | 11   | 13   | 12   | 13   | 7    | 9    | 8    | 22   | 33   | 30   |
| SWEDEN                      | 8    | 8    | 12   | 8    | 23   | 22   | 15   | 8    | 11   | 8    | 22   | 20   | 9    |
| EASTERN<br>EUROPE           | 8    | 15   | 9    | 5    | 12   | 11   | 16   | 12   | 14   | 8    | 23   | 15   | 14   |
| JAPAN                       | 17   | 40   | 43   | 64   | 83   | 77   | 53   | 74   | 44   | 41   | 51   | 52   | 66   |
| OTHER EAST<br>ASIAN NATIONS | 4    | 4    | 6    | 3    | 16   | 25   | 19   | 27   | 18   | 15   | 26   | 53   | 41   |
| OTHERS                      | 2    | 3    | 9    | 14   | 18   | 5    | 6    | 7    | 19   | 3    | 33   | 35   | 43   |
| TOTAL                       | 261  | 364  | 443  | 464  | 620  | 572  | 527  | 513  | 362  | 408  | 585  | 765  | 691  |

Source: Same as in Table 1.

**Table - 3**  
**Average Number of Collaborations (financial & technical) per year during the pre-liberalization and post-liberalization periods, by industry**

| Industry  | Average Number of Collaborations per year, 1986-1990 | Average Number of Collaborations during the Post-Liberalization Period, Aug 1991 - July 1993 | % Change |
|---|--|--|----------|
| Metallurgical Industries                        | 31.40  | 70.00  | 122.93   |
| Fuels   | 2.80   | 31.50  | 1,025.00 |
| Boilers & Steam Generating Plants               | 5.20   | 9.00   | 73.08    |
| Prime Movers (Other than Electrical Generators) | 2.00   | 0.50   | -75.00   |
| Electrical equipment                            | 145.60   | 263.00   | 80.63    |
| Telecommunication                               | 36.40  | 31.00  | -14.84   |
| Transportation                                  | 36.40  | 73.00  | 100.55   |
| Industrial Machinery                            | 103.00   | 193.00   | 87.38    |
| Machine Tools                                   | 15.40  | 19.50  | 26.62    |
| Agricultural Machinery                          | 1.20   | 6.50   | 441.67   |
| Earth Moving Machinery                          | 0.80   | 9.50   | 1,087.50 |
| Miscellaneous Mechanical & Engg. Industry       | 55.80  | 62.00  | 11.11    |
| Commercial Offices & Household Equipment        | 10.40  | 16.00  | 53.85    |
| Medical & Surgical Appliances                   | 10.20  | 9.50   | -6.86    |
| Industrial Instruments                          | 36.60  | 27.00  | -26.23   |
| Scientific Instruments                          | 5.00   | 10.50  | 110.00   |
| Mathematical Surveying & Drawing Instruments    | 1.00   | 0.00   | 0.00     |
| Fertilizers                                     | 1.60   | 3.50   | 118.75   |
| Chemicals                                       | 83.80  | 207.00   | 147.02   |
| Photographic Raw Film & Paper                   | 1.80   | 2.00   | 11.11    |
| Dyestuffs                                       | 0.40   | 1.50   | 275.00   |
| Drugs & Pharmaceuticals                         | 9.40   | 23.00  | 144.68   |
| Textiles  | 8.60   | 43.50  | 405.81   |
| Paper & Pulp including Paper Products           | 6.80   | 15.00  | 120.59   |
| Sugar   | 0.40   | 1.00   | 150.00   |
| Fermentation Industries                         | 2.40   | 7.00   | 191.67   |



| Industry                               | Average Number of Collaborations per year, 1986-1990 | Average Number of Collaborations during the Post-Liberalization Period, Aug 1991 - July 1993 | % Change |
|--|--|--|----------|
| Food Processing Industries             | 11.40  | 75.50  | 562.28   |
| Vegetable Oil & Vanaspati              | 1.80   | 6.00   | 233.33   |
| Soaps, Cosmetics & Toilet Preparations | 1.60   | 3.50   | 118.75   |
| Rubber Goods                           | 11.20  | 20.00  | 78.57    |
| Leather, Leather Goods & Pickers       | 7.40   | 17.50  | 136.49   |
| Glue & Gelatine                        | 0.20   | 0.00   | 0.00     |
| Glass                                  | 6.40   | 9.50   | 48.44    |
| Ceramics                               | 16.80  | 33.50  | 99.40    |
| Cement & Gypsum Products               | 6.40   | 9.00   | 40.63    |
| Timber Products                        | 0.80   | 0.50   | -37.50   |
| Defence Industries                     | 0.00   | 1.00   |          |
| Consultancy                            | 24.20  | 32.50  | 34.30    |
| Miscellaneous Industries               | 98.20  | 139.00   | 41.55    |
| Total                                  | 801.40   | 1,482.50   | 84.99    |

Source: Based on India, Ministry of Industry, Handbook of Industrial Statistics, 1992 and SIA Newsletter, September 1993.

It can be seen that industries in which the number of collaborations approved have grown at a rate higher than the overall growth rate are: fuels (1025%); food processing industries (562%); textiles (406%); chemicals (147%); drugs & pharmaceuticals (145%); leather goods (136%); metallurgical industries (123%); paper & pulp (121%); transportation (101%); and ceramics (99%). However, in a number of other industries like earth moving machinery and fertilizers, while the growth rate turned out to be high, the overall number of collaborations remained small (less than 10).

The sharp increase in metallurgical industries and fuel sector could be related to the entry of private sector into these largely reserved areas. Other than the metallurgical and fuel sectors, the largest increase in the number of collaborations happens to be in consumer goods industries. In contrast, collaborations in the electrical equipment and industrial machinery industries grew at about the average rate only.

Important among the industries where the number of collaborations approved have grown at considerably less than the overall growth rate are: machine tools (26%), miscellaneous mechanical and engineering goods (11%), consultancy services (24%). It may be a matter of concern to find that in case of industrial instruments (-26%) and telecommunication industry (-15%) the average number of collaborations per year declined

considerably. As far as the category of miscellaneous goods and services are concerned, it may be noted that the number of collaborations approved in some sub-categories like Hotel & Tourism and Trading are growing significantly faster.

There were just one or two collaborations in trading and around 15 collaborations in Hotel & Tourism during the four year period 1987 to 1990. Their number increased to 60 and 36 respectively during August 1991 to July 1993.<sup>43</sup>

Comparing the number of approved technical collaborations industry-wise is obviously of limited use. Such comparisons do not tell us anything about the type of technology coming in, or the size of the project, or the employment effect of such collaborations. The limitations of the data prevent us from examining these issues.

#### Payments for Technology -- Lumpsum

The amounts approved as lump-sum payments for technology transfer and their industry-wise break-up is given in Table - 4. From Rs. 574 crores in 1990, the approved payment increased to Rs. 980 crores by 1991. It more than doubled to Rs. 2,281 crores by 1992.

**Table - 4**  
**Approved Lumpsum Payments by Industry, 1981-1992 (Rs. Crores)**

| Year | Electrical & Electronics | Chemical | Industrial Machinery | Mechanical Engineering | Metallurgy Industries | Other  | Total |
|------|--------------------------|----------|----------------------|------------------------|-----------------------|--------|-------|
| 1981 | 6.58                     | 10.32    | 7.83                 | 4.53                   | 3.05                  | 20.57  | 56    |
| 1982 | 44.90                    | 23.72    | 19.18                | 17.17                  | 11.81                 | 21.27  | 142   |
| 1983 | 25.35                    | 49.80    | 22.94                | 10.44                  | 3.27                  | 37.71  | 150   |
| 1984 | 29.86                    | 133.96   | 28.19                | 15.89                  | 8.23                  | 72.46  | 300   |
| 1985 | 101.50                   | 93.65    | 63.07                | 15.73                  | 35.53                 | 101.16 | 421   |
| 1986 | 130.26                   | 302.99   | 12.71                | 31.95                  | 42.86                 | 67.46  | 588   |
| 1987 | 68.24                    | 183.84   | 35.03                | 23.95                  | 51.40                 | 55.80  | 418   |
| 1988 | 82.67                    | 213.73   | 116.00               | 23.90                  | 43.23                 | 104.34 | 584   |
| 1989 | 47.53                    | 238.56   | 32.48                | 43.55                  | 218.95                | 117.56 | 699   |
| 1990 | 49.40                    | 180.22   | 93.21                | 25.25                  | 106.21                | 119.85 | 574   |
| 1991 | 117.91                   | 431.59   | 90.45                | 43.84                  | 94.58                 | 201.52 | 980   |
| 1992 | 228.57                   | 936.83   | 238.44               | 80.62                  | 77.07                 | 719.74 | 2281  |

Source: As in Table -1.

<sup>43</sup>. The Fourth Survey Report on Foreign Collaborations of the RBI shows that of the 231 agreements involving technical collaborations in the period 1977-1981, Services accounted for only 7, Food Processing 3, Textile Products 3, and Chemicals and Chemical Products 14. Most of the agreements were in the Machinery and machine tools sectors. In contrast, Food Processing, Textiles and Chemicals are among the industries where the number of collaborations (both technical and financial) have grown the fastest in the post-policy period. See RBI, Foreign Collaboration in India: Fourth Survey Report, 1985, p. 144.

Approvals for lumpsum payments have been the highest in the chemical industry over the years. It is significant to note that in the miscellaneous sector approved lumpsum payments registered a sharp increase in 1992. Approved payments in this group of industries and services rose in 1992 by more than three times in rupee terms, and close to three times in dollar terms over the payments approved for 1991.

### **Royalty rates**

The distribution of royalty rates for the years 1981-1992 are given in Table-5.

The number of collaborations having royalty rates greater than 5% has increased considerably in 1991 and 1992. This can be directly attributed to the new policy provisions. It should be noted that most of the increase is attributable to the policy of allowing automatic approval for royalty rates upto 8% on exports. The number of agreements having royalty rates higher than 5% on internal sales has not shown any drastic increase.

It is logical to expect that apart from other factors, payments for technology will in general depend on the bargaining powers of the two contracting parties. In such a situation, selective governmental intervention is likely to strengthen the hands of the domestic firms. The official policy that "Indian companies will now be free to negotiate the terms of technology transfer with their foreign counterparts according to their own commercial judgement."<sup>44</sup> may, therefore, increase the cost of technology acquisition for the Indian industry.

The new industrial policy has also relaxed the upper limit on the duration of collaboration agreements. The following table shows the number of collaborations which have durations less than or equal to five years and those which have durations greater than five years for the last eleven years.

The Table clearly reflects the impact of new policy on the duration of agreements. Even as late as 1990, most of the approved collaborations (about 80 per cent of the total) were for five years or less.<sup>45</sup> This began to change in 1991, and the change has accelerated in 1992 when as many as 981 collaborations had durations greater than five years. As a result only about 9 per cent of the collaborations were for 5 years or less. A further break-up of the data for 1992 shows that most of the collaborations are of 7-10 years duration. As many as 574 collaborations have durations of ten years, whereas 407 have durations of seven or eight years.

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<sup>44.</sup> See India, Department of Industrial Development, Ministry of Industry, Report : 1991-92, p. 20.

<sup>45.</sup> The fourth survey report on Foreign Collaborations of the RBI states that " ... [collaborations of duration] upto 5 years and below accounted for more than two-thirds. This is in line with the Government's policy of discouraging agreements with longer duration." (Emphasis added) See Reserve Bank of India, Foreign Collaboration in Indian Industry: Fourth Survey Report, 1985.

Table - 5

Distribution of Approved Royalty Rates, 1981-1992

| Year   | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 |
|--|------|------|------|------|------|------|------|------|------|------|------|------|
| No. of collaborations with Royalty Rates up to 5%                          | 123  | 228  | 334  | 363  | 506  | 456  | 438  | 456  | 260  | 283  | 393  | 385  |
| No. of collaborations with Royalty Rates in excess of 5%                   | 15   | 10   | 21   | 29   | 43   | 11   | 18   | 38   | 20   | 26   | 87   | 285  |
| No. of collaborations with Royalty Rates on Internal Sales in excess of 5% | 0    | 0    | 7    | 6    | 9    | 8    | 1    | 7    | 4    | 2    | 12   | 11   |
| No. of collaborations with Royalty Rates on Exports in excess of 5%        | 15   | 10   | 15   | 23   | 34   | 20   | 18   | 33   | 16   | 24   | 76   | 224  |

Source: Same as in Table - 1.

Note:(i) The numbers for 1992 are inconsistent. The DSIR reports that there are 285 cases with royalty rates exceeding 5%. However, as pointed out before, a manual check shows only 231 cases. (ii) There are a few (around 5) collaborations per year where the royalty payment is not specified as a percentage of sales. Such cases have been excluded in the above table, and in the following table.

### **Differing terms of collaboration for same product**

The following table give a few examples of differing terms of collaborations for the same product (See Table 7).

This phenomena has been noted before (see for instance, the Report of the Industrial Licencing Policy Inquiry Committee, pp. 125-129). This dispersion of collaboration terms for a single product is not hard to understand in the light of developments in the Economics of Information. A domestic firm, searching for suitable partners does not, typically, have complete information about suitable partners and the best terms of collaborations available. In many cases, it will have to embark on a search process to locate suitable technology suppliers. The extent to which a firm can search varies -- in general, we can expect that large Indian firms with greater resources at their disposal, will have more ability to conduct search. The above discussion suggests two things: (1) Given that domestic firms have to typically conduct some sort of search for finding suitable collaboration partners, and given that the search costs differ across firms, we should not be surprised to see dispersion in collaboration terms; and (2) Since large firms have more ability to search, we would expect them, on average, to get better terms than smaller firms for the same product. The limited evidence offered here does not allow us to draw firm conclusions.

Table - 6

## DISTRIBUTION OF APPROVED ROYALTY RATES (RR) 1982-1992, BY INDUSTRY

|                                     | 1982   |       | 1983   |       | 1984   |       | 1985   |       | 1986   |       | 1987   |       | 1988   |       | 1989   |       | 19 | 19 | 1992 |    |    |    |
|-------------------------------------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|----|----|------|----|----|----|
|                                     | RR<=5% | RR>5% | RR<=5% | RR>5% | RR<=5% | RR>5% | RR<=5% | RR>5% | RR<=5% | RR>5% | RR<=5% | RR>5% | RR<=5% | RR>5% | RR<=5% | RR>5% |    |    |      |    |    |    |
| Alternative/<br>Renewable<br>Energy | 2      | -     | 2      | -     | 3      | -     | 9      | 2     | 2      | -     | 1      | -     | 1      | 1     | -      | -     | 1  | -  | 1    | -  | 1  | 2  |
| Chemicals                           | 16     | -     | 20     | -     | 36     | 3     | 33     | 1     | 44     | 1     | 45     | -     | 64     | 1     | 21     | 2     | 23 | 2  | 43   | 8  | 61 | 27 |
| Electricals &<br>Electronics        | 61     | 3     | 89     | 6     | 100    | 6     | 171    | 19    | 136    | 8     | 137    | 2     | 151    | 11    | 62     | 5     | 65 | 3  | 87   | 24 | 73 | 50 |
| Industrial<br>Machinery             | 43     | -     | 76     | 7     | 82     | 7     | 96     | 6     | 34     | 3     | 95     | 6     | 83     | 12    | 41     | 2     | 80 | 12 | 102  | 16 | 30 | 24 |
| Mechanical<br>Engineering           | 57     | 6     | 39     | 2     | 64     | 5     | 59     | 4     | 90     | 5     | 48     | 2     | 47     | 5     | 36     | 3     | 37 | 3  | 45   | 8  | 61 | 37 |
| Machine Tools                       | 14     | 1     | 3      | -     | 11     | -     | 25     | 1     | 14     | 2     | 11     | 2     | 7      | 1     | 6      | 2     | 2  | -  | 9    | 3  | 4  | 3  |
| Metallurgy                          | 11     | -     | 10     | -     | 14     | -     | 17     | 2     | 18     | 3     | 7      | -     | 21     | -     | 7      | -     | 9  | -  | 10   | 2  | 14 | 10 |
| Textiles                            | -      | -     | -      | -     | -      | -     | -      | 1     | 4      | -     | 5      | -     | 13     | 3     | 3      | -     | 2  | -  | 1    | 2  | 5  | 3  |
| Transportation                      | 13     | 1     | 20     | 2     | 16     | 1     | 36     | 2     | 33     | 2     | 28     | 1     | 17     | 3     | 12     | -     | 19 | 1  | 30   | 4  | 28 | 3  |
| R&D/Consultancy                     | -      | -     | 2      | -     | -      | -     | 7      | 3     | -      | -     | 1      | -     | 4      | -     | 4      | -     | 18 | 4  | 24   | 7  | 21 | 14 |
| Miscellaneous                       | 29     | -     | 65     | 4     | 47     | 7     | 66     | 1     | 75     | 4     | 60     | 6     | 52     | 3     | 68     | 5     | 27 | 1  | 41   | 13 | 87 | 58 |

Source: As in Table - 1 of this Chapter.

Table 7

SELECT CASES OF DIFFERING TERMS OF COLLABORATION FOR THE SAME PRODUCT

| INDIAN COMPANY                | FOREIGN COLLABORATOR     | LUMP SUM PAYMENT   | ROYALTY        |                | DURATION |
|-------------------------------|--------------------------|--------------------|----------------|----------------|----------|
|                               |                          |                    | INTERNAL SALES | EXTERNAL SALES |          |
| <b>INTRAOCULAR LENSES (1)</b> |                          |                    |                |                |          |
| AMERICAN OPTICS LTD           | IOL INTL LTD             | US\$ 84.25 LAKHS   | -              | -              | 8        |
| QUALITY IOL INTL PVT LTD      | IOL INTL LTD             | US\$(N)1.00 LAKHS  | -              | -              | 10       |
| GUJARAT MEDITECH LTD          | IOL INTL LTD             | US\$ 2.75 LAKHS    | -              | -              | 10       |
| INDO AMERICAN OPTICS LTD      | IOL INTL LTD             | US\$ 2.75 LAKHS    | -              | -              | 10       |
| INDO AMERICAN OPTICS LTD      | BIO-TECH SARL            | US\$ 1.74 LAKHS    | -              | -              | 10       |
| <b>FACSIMILE MACHINES</b>     |                          |                    |                |                |          |
| MODI XEROX LTD                | SAMSUNG ELECTRIC COMPANY | -                  | -              | 5.00           | 10       |
| INDIA TELECOM LTD             | SAMSUNG COMPANY          | US\$(N)3.20 LAKHS  | -              | -              | 10       |
| BHARTI TELECOM LTD            | DAEWOO CORP              | US\$(N) 1.50 LAKHS | -              | 3.00           | 10       |
| BALKRISHEN SINGH              | CONSORT CO.              | US\$(N) 0.80 LAKHS | -              | 5.00           | 7        |
| <b>CAUSTIC SODA (2)</b>       |                          |                    |                |                |          |
| BALAJI INDS PVT LTD           | UHDE GMBH                | RS. 69.41 LAKHS    | -              | -              | 10       |
| BALAJI INDS PVT LTD           | BERTRAMS LTD             | RS 88.48 LAKHS     | -              | -              | 10       |
| ASHOK ORGANIC INDIA LTD       | CHLORINE ENGG CO.        | RS(N) 50.22 LAKHS  | -              | -              | 10       |
| GRASIM INDS LTD               | UHDE GMBH                | RS(N) 89.24 LAKHS  | -              | -              | 10       |
| <b>RIFAMPICIN</b>             |                          |                    |                |                |          |
| HIND BIOTECH LTD              | SOLHEIM ITALIAN SPA      | US\$ 10.50 LAKHS   | 3.00           | 3.00           | 8        |
| PHARM BUSINESS GROUP          | YUBEN CORP               | US\$ 10.00 LAKHS   | 3.00           | 5.00           | 8        |
| SOUTHERN PETROCHEMICALS       | CIPAN                    | US\$ 27.50 LAKHS   | -              | -              | 7        |
| LUPIN CHEMICALS               | FERMIC S A               | US\$ 1.50 LAKHS    | -              | -              | 10       |
| KRISS PHARMA LTD              | REAGENT LABORATORIES     | US\$ 2.95 LAKHS    | 3.00           | -              | 5        |

1) The DSIR data gives the lumpsum amount for the collaboration

involving Quality IOL International Pvt Ltd as \$100 lakhs. The source also gives its breakup, the total of which comes to only \$1 lakh. We have chosen the latter figure as it appears to be the more likely figure. (N) denotes that the payment is net of taxes.

- 2) The lumpsum payments in this category were in different currencies. They have been converted to Rupee amounts using the conversion table provided by DSIR, for the corresponding year.

There is a policy implication to the above discussion. If the terms of collaborations are inversely related to a firm's search costs, and these are largest for the smaller firms, as we have argued, then the Government should help the smaller firms by lowering their search cost. This can be done by giving public access to terms of collaborations.

### **Collaborations for unimportant products/services**

One of the major reasons why India has imposed restrictions on foreign collaborations was the felt need to target investment into crucial areas. It was for this reason that certain sectors were closed to foreign investment and foreign collaborations.<sup>46</sup> The accompanying table (Table -8) gives a list of collaborations in non-crucial sectors which indicate the pattern of collaboration that emerges if such considerations are set aside.

Some of the collaborations in the above list may have been approved under export promotion schemes. But the available evidence suggests that there are a good number of cases which do not fall under this category. For instance, the technical collaboration between Rajasthan Breweries Ltd and Danbrew Ltd, Denmark for the manufacture of beer does appear to be involving any exports. Nor is this an odd phenomenon. There are, in all, nine collaborations for the manufacture of beer including the case mentioned above. In addition, we have collaborations for common salt, chocolate, whisky & brandy, wine, buttons etc.

### **Collaborations involving Multinationals and their Indian affiliates**

A number of technical collaborations involve Indian affiliates of TNCs and the subsidiaries/affiliates of the same TNC. This phenomena shows that even when technology comes into the country, the effective control of that technology is in the hands of the multinationals. It also points to the fact that much of technology transfer takes place between TNCs. Some of these collaborations involve companies which have been in the country for a very long time, and which even now charge royalties and lumpsum payments for products which these companies were already manufacturing. For instance, there is a collaboration involving Nestle India and Nestec (a subsidiary of Nestle) for the manufacture of Infant weaning food. What is noteworthy here is not that Nestle India is manufacturing infant food - it has been doing that for a long time - but that it has been allowed to pay royalty (3.5% on domestic sales, and 5% on external sales) to its parent company/affiliate even now!

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<sup>46</sup>. See the Report of the Industrial Licencing Policy Inquiry Committee.



The following tables (Table -9 and Table -10) show a select list of technical collaborations involving transnational corporations and their Indian affiliates, and a select list of financial collaborations also involving payments for royalties/lumpsum.

**Technical Collaborations involving Large Indian Industrial Houses**

Another significant component of technical collaborations involve Large Indian Industrial Houses. The following table (Table -11) shows the distribution of technical collaborations among the large industrial houses for the period August 1991-July 1993.

TABLE 8

COLLABORATIONS INVOLVING NON-ESSENTIAL ITEMS

| NAME OF FOREIGN COMPANY                           | NAME OF INDIAN COMPANY               | ITEM OF MANUFACTURE/ACTIVITY                                     |
|---|--------------------------------------|--|
| PHILIPS CONSUMER ELECTRONICS INTL,<br>NETHERLANDS | SUPER CASSETTES INDUSTRIES LTD       | AUDIO COMPACT DISC   |
| ACME MAGNETIC TAPES LTD, HONG KONG                | GRAMOPHONE CO OF INDIA LTD           | AUDIO MAGNETIC TAPE  |
| TANASHIN DENKI CO, JAPAN                          | PINNACLE EXPORTS PVT LTD             | AUDIO TAPE DECK MECHANISM  |
| TANASHIN DENKI CO, JAPAN                          | VIDEOCON INTL LTD                    | AUDIO TAPE DECK MECHANISM  |
| MULTI CHAMPS SHN BDH, MALAYSIA                    | ELEGANT LIGHTING DEVICES (P) LTD     | BALLASTS   |
| NRI   | NEENA TRONICS INDUSTRIES PVT LTD     | BLANK VIDEO CASSETTES  |
| NRI   | NIVAS MAGNETICS PVT LTD              | BLANK VIDEO CASSETTES  |
| MATSUSHITA ELECTRIC INDL CO LTD, JAPAN            | SALORA INTERNATIONAL LTD             | COLOUR TELEVISION REVEIVERS                                      |
| TOLARAM ELECTRONICS PVT LTD                       | TOLARAM ELECTRONICS PVT LTD          | COLOUR TVS, B&W TVS & BLANK VIDEO CASSETTES                      |
| FIRST LIGHT TECHNOLOGY, USA                       | COMPACT DISC INDIA LTD               | COMPACT DISCS  |
| CHELSEA DISC LTD, UK                              | KARNATAKA INTERNATIONAL DISC PVT LTD | COMPACT DISCS  |
| NETSTAL FIRST LIGHT TECHNOLOGY INC, USA           | COMPACT DISC INDIA LTD               | COMPACT DISCS  |
| GENERAL ELECTRIC CO, USA                          | GODREJ & BOYCE MFG CO LTD            | COMPRESSORS, REFRIGERATORS & WASHING<br>MACHINES AND OTHER GOODS |
| GOLDSTAR CO LTD, SOUTH KOREA                      | RPG ENTERPRISES LTD                  | CONSUMER ELECTRONICS LIKE B&W COLOUR TV,<br>VCRS VCPS AUDIO      |
| ORIENTAL PRECISION CO LTD, SOUTH KOREA            | RAJVEBH ELECTRONICS LTD              | CORDLESS TELEPHONES  |
| GREENWOOD MILLS INC, USA                          | BABUJI MULTIFIBRES LTD               | DENIM FABRICS & GARMENTS   |
| VIJAYSTAR CORPN, USA                              | BV JEWELS                            | DIAMONDS & STUDED GOLD JEWELLERY ETC                             |
| ENTERPRISES LIGHTING INC, USA                     | HYDERABAD LAMPS LTD                  | ELECTRIC BULBS & GLASS SHELLS                                    |
| GENERAL ELECTRIC CO, USA                          | APAR LTD                             | ENERGY EFFICIENT LAMPS   |
| GEC (NOW OSRAM LTD), UK                           | PRAKASH TUBES LTD                    | ENERGY SAVING FLUROESCENT TUBES                                  |
| NV PHILIPS, NETHERLANDS                           | PEICO ELECTRONICS & ELECTRICALS LTD  | FLUROESCENT LAMP   |
| MR JAMES D NOLAN, USA                             | HYDERABAD LAMPS LTD                  | FLUROESCENT TUBE   |
| OY AIRAM ELECTRIC AB, FINLAND                     | ORISSA LAMPS LTD                     | FLUROESCENT TUBE LIGHTS  |
| JE HAMMER INDUSTRIEBETEILIGUNGEN GMBH,<br>GERMANY | INTER GOLD (I) LTD                   | GOLD JEWELLERY   |

(Contd...)

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**NAME OF FOREIGN COMPANY****NAME OF INDIAN COMPANY****ITEM OF MANUFACTURE/ACTIVITY**

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|   |  |  |
|---|--|--|
| LI TECH CORPN, SOUTH KOREA                      | SOLARSON INDUSTRIES LTD  | HALOGEN LAMPS  |
| LI TECH CORPN, SOUTH KOREA                      | JAGAN LI-TECH LAMPS LTD  | HALOGEN LAMPS  |
| DAISHIM ELECTRIC CO LTD, SOUTH KOREA            | BHARAT SOLITE LTD  | HALOGEN LAMPS  |
| LI TECH CORPN, SOUTH KOREA                      | SURYA ROSHNI LTD   | HALOGEN LAMPS  |
| LI TECH CORPN, SOUTH KOREA                      | SURYA ROSHNI LTD   | HALOGEN LAMPS  |
| PHOENIX ELECTRIC CO & SOEI TSUSHO LTD,<br>JAPAN | PHOENIX LAMP INDIA LTD*  | HALOGEN LAMPS, COMPACT FLUORESCENT LAMP<br>AND PARTS |
| KOREA ADVANCED LIGHTING CO LTD, SOUTH<br>KOREA  | ADVANCED LIGHTING INDIA LTD  | HALOGEN LAMPS, FLUORESCENT LAMPS ETC                 |
| MR ING WALTER SCHMID, AUSTRIA                   | ECLIPSE  | HI FI AUDIO SYSTEM                                   |
| OSRAM GMBH, GERMANY                             | SURYA ROSHNI LTD   | HIGH TECHNOLOGY ENERGY EFFICIENT LAMPS               |
| STT BODALEX, UK                                 | AVASARALA AUTOMATION PVT LTD   | INCANDESCENT & FLUROSCENT LAMP MAKING<br>MACHINES    |
| GRANT WALKER LTD, UK                            | TITAN WATCHES LTDJEWELLERY OF GOLD AND OTHER PRECIOUS METALS UNSET OR SET              |  |
| FINANCIERE DES, BELGIUM                         | KESELEC INDIA PVT LTDLAMPS & LIGHTING FITTINGS INCLUDING SEARCH LIGHTS & SPLOTLIGHT    |  |
| NV PHILIPS GLOEILAMPENFABRIEKEN,<br>NETHERLANDS | PEICO ELECTRONICS & ELECTRICALS LTDLAMPS, CONSUMER ELECTRONICS, SPECIALIZED TOOLS ETC. |  |
| 3L TECH GROUP, USA                              | SRI SRINIVASA VIDEO PVT LTD  | MAGNETIC VIDEO TAPES IN CASSETTES IN VHS             |
| EYEWEAR INTERNATIONAL INC, USA                  | GM EYEWEAR (P) LTD   | METAL/PLASTIC MOULDED SPECTACLE FRAMES               |
| DADI JOWISSA, SWITZERLAND                       | DADI BALSARA   | QUARTZ WATCHES                                       |
| SANYO ELECTRIC CO LTD, JAPAN                    | BPL SANYO TECHNOLOGIES   | RADIO CASSETTE RECORDER                              |
| MATSUSHITA ELECTRIC INDL CO LTD, JAPAN          | SALORA INTERNATIONAL LTDDRADIO WITH CASSETTE RECORDR & COMPACT DISC PLAYER             |  |
| CONTINENTAL PRODUCTS INC, USA                   | BATLIBOI & CO LTD  | REFRIGERATION & AIR CONDITIONING EQUIPMENT           |
| TANKKI OIKOTIZ SF63700 AHTARI, FINLAND          | INDIAN DAIRY MACHINERY CO PVT LTD  | REFRIGERATOR FREEZERS                                |
| FISKARS OY AB, FINLAND                          | FISKARS INDIA LTD  | SCISSORS   |
| FISKARS OY AB, FINLAND                          | FISKARS INDIA LTD  | SCISSORS   |
| THE SINGER CO, HONG KONG                        | INDIAN SEWING MACHINE CO LTD   | SEWING MACHINES                                      |
| LUMENARC INC, USA                               | SOLARSON BURNERS LTD<br>(NOW SOLARSON INDS LTD)  | SODIUM VAPOUR LAMPS                                  |
| VOLTARC TECHNOLOGIES INC, USA                   | HYDERABAD LAMPS LTD  | SPECIALITY LAMPS & ENERGY EFFICIENT LAMPS            |
| TRULITE INC, USA                                | SRF LTD  | SPECTACLE LENSES                                     |
| WADE MANU CO, USA                               | VOLTAS LTD   | SPRINKLING SPRAYER FOR LAWNS                         |
| SB&T GEM IMPORTS INC, USA                       | SUPERIOR JEWELLER MFG  | STUDED GOLD JEWELLERY                                |
| SIRS GOLD INTL CORPN, TAIWAN                    | SAWHNEY EXPORTS PVT LTD  | TIME PIECE, CLOCK, WRIST WATCHES                     |
| TOSHIBA CORPORATION, JAPAN                      | VIDEOCON INTL LTD  | TUNERS OF TV/CASSETTE TAPE RECORDERS                 |

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**NAME OF FOREIGN COMPANY****NAME OF INDIAN COMPANY****ITEM OF MANUFACTURE/ACTIVITY**

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LI TECH CORPN, SOUTH KOREA  
GILLETTE CO, USA  
UNITED BAKERY EQUIP CO, USA  
SANYO ELECTRIC CO LTD & SANYO TDG CO  
JAPAN  
NRI  
SANYO ELECTRIC CO LTD, JAPAN  
AMITECH, USA  
NRI  
DANBREW LTD, DENMARK  
DANBREW LTD, DENMARK  
ROBERT G JAMES, USA  
CARLSBERG INTL A/S, DENMARK  
NRI  
H CONSULT GMBH, GERMANY  
NRI  
SCODIPER BVY, SWITZERLAND  
WRIGLEY WILLIAM JR CO, USA  
PERFETTI SPA, ITALY  
SWISS CHO CO TEC CONSULTING CORPN,  
SWITZERLAND  
CADBURY SCHWEPPE, UK  
SHAH CHANDNI SAILESH  
NESTEE LTD, SWITZERLAND  
OVOTEE INTERNATIONAL, DENMARK  
SANVO ENGG, DENMARK  
NESTEE LTD, SWITZERLAND  
NESTLE SA, SWITZERLAND  
VALIO ENGG LTD, FINLAND  
VALIO ENGG LTD, FINLAND  
CARLSBERG INTL A,S, DENMARK  
SPADLER, BELGIUM & KRUPP, BELGIUM  
BERRY LEDERMAN & ASSOCIATES LTD, UK  
MURLI'S STALEKAR  
W R GRACE & CO, USA

GUPTA MACHINE TOOLS LTD  
INDIAN SHAVING PRODUCTS LTD  
NBE FOOD SYSTEMS PVT LTD  
BPL SANYO LTD  
  
COLUMBIA ELECTRONICS LTD  
BPL SANYO UTILITIES & APPLIANCES LTD  
GOODWILL ELECTRONICS & ENGG CO LTD  
EAST WEST INCORPORATED  
RAJASTHAN BREWERIES LTD  
RAJASTHAN BREWERIES LTD  
PURBANCHAL REWERIES LTD  
VIJAY BREWERIES PVT LTD  
DYNAMIC SALES SERVICES INTL PVT LTD  
JAGNA CHEMICALS LTD  
VICKRAM R TIKKOO  
BREWERIES INDIA PVT LTD  
WRIGLEY INDIAN PVT LTD  
PERFETTI SPA  
  
SWISS HEALTH FOODS PVT LTD  
CADBURY INDIA LTDCHOCOLATES, CHOCOLATE CONFECTIONERY OTHER THAN SWEETMEATS  
SWAN SWEETS PVT LTDCONFECTIONERY EXCLUDING CHOCOLATES & TOFFEES  
NESTLE INDIA LTD  
BALAJI FOODS AND FEEDS LTD  
WESTERN FOODS LTD  
NESTLE INDIA LTD  
NESTLE INDIA LTD  
LACTO PROTEIN INDIA LTD  
VISHAL LAKTO (INDIA) LTD  
VIJAY BREWERIES PVT LTD  
DADI BALSARA  
SKN ASSOCIATES PVT LTD  
FOOD CONCEPTS INDIA PVT LTD  
PJ MARGO PVT LTD

TUNGSTEN HALOGEN LAMPS  
TWIN TYPE SHAVING SYSTEM RAZOR  
UBE MODEL 25 SLICER BAGGER ETC.  
VIDEO CASSETTE RECORDERS/PLAYERS VTD  
MACHANISM  
VIDEO TAPE BLANK  
WASHING MACHINES  
WATER FILTERS & PURIFIERS  
ZIP FASTENERS  
BARLEY MALT  
BEER  
BEER  
BEER  
BEER  
BEER  
BEER & STOUT  
CHEWING GUM & OTHER CONFECTIONARY GOODS  
CHEWING GUM AND TOFFEE  
  
CHOCOLATE, TOFFEE ETC.  
DAIRY WHITENER  
EGG POWDER  
EGG WHITE POWDER  
INFANT WEANING FOODS  
INSTANT COFFEE  
LACTOSE  
LACTOSE  
MFR OF BEER  
MINERAL WATER  
MINERAL WATER  
MINERAL WATER NOT CONTAINING SUGAR ETC  
OTHER FIXED VEGETABLE OILS

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**NAME OF FOREIGN COMPANY****NAME OF INDIAN COMPANY****ITEM OF MANUFACTURE/ACTIVITY**

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|  |   |  |
|--|---|--|
| KREBS & CO, SWITZERLAND  | CENTURY TEXTILES & INDS LTD<br>(CENTURY CHEMICAL DIV) | SODIUM CHLORIDE  |
| BAR NA INC, USA  | NECTAR (INTL) LTD                                     | SOYABEAN OIL   |
| AIKO LTD, FINLAND  | JAGATJIT INDUSTRIES LTD                               | WHISKY, BRANDY   |
| GEORGES VESSELLE, FRANCE   | HINDUSTAN EXPORT & IMPORT CORPN P LTD                 | WINE AND BRANDY FROM GRAPES                                    |
| DS AGRICULTURAL CO LTD, THAILAND   | OCEANIC FISHERIES (I) LTD                             | AQUACULTURE FARMING  |
| DS AGRICULTURAL CO LTD, THAILAND   | DS AQUACULTURE INDIA PVT LTD                          | AQUACULTURE PRAWN HATCHERY FROM PROCESSING, EXPORT CONSULTAN   |
| UDO STINGL (MD) BKS GMBH, GERMANY  | TRITON MARINEX PVT LTD                                | AQUACULTURE PROJECT (FISH WHOLE & SHRIMP CULTURE)              |
| AANTAMARIA MARKETING AND SERVICES,<br>MALAYSIA                             | PRAWNEX SEAFOODS INTERNATIONAL LTD                    | BLACK TIGER PRAWNS   |
| CONAGRA DRIED FRUIT & CO, USA  | PACE INTERNATIONAL LTD                                | CASHEW PRODUCTS & SHRIMPS                                      |
| HARTFORD (THAILAND) CO LTD, THAILAND                                       | INDAMAR FISHERIES PVT LTD                             | CATCHING & PROCESSING OF DEEP SEA FISHES                       |
| AQUA FARMING DEV FOUNDATION,<br>PHILIPPINES                                | RANK AQUA ESTATES LTD                                 | CRUSTACEANS  |
| COLLECTIVE FISHING FARMS UNION, RUSSIA                                     | SOVIND FISHERIES LTD                                  | DEEP SEA FISHING   |
| CONSOLIDATED SEA FOOD CORPN, USA   | INDFISH LTD   | DEEP SEA FISHING   |
| COLLECTIVE FISHERIES, LATVIA   | CHAIKA EXPORTS PVT LTD                                | DEEP SEA FISHING   |
| NAMYANGRA CO LTD, KOREA SOUTH  | INKO FISHERIES PVT LTD                                | DEEP SEA FISHING   |
| MECO ENGG INTERNATIONAL, DENMARK   | RON MARITIME LTD                                      | DEEP SEA FISHING   |
| EVERGREEN FISHERIES CO LTD, THAILAND                                       | SRI KUMARAN FISHERIES PVT LTD                         | DEEP SEA FISHING   |
| TOYO KOSUISAN CO LTD, JAPAN  | ORIENTAL HIGHSEAS FISHERIES LTD                       | DEEP SEA FISHING & PROCESSING OF FISH UNDER 100% EOU<br>SCHEME |
| NPK OKEAN & HARTFORD CO, RUSSIA &<br>THAILAND                              | SOVIN SEA FOODS LTD                                   | DEEP SEA FISHING MELTING 7 REFINING PROCESS                    |
| DEEP SEA FISHERIES CO, NORTH KOREA   | LEO SUZIND FISHERIES LTD                              | DEEP SEA FISHING PROJECT INCL. PROCESSING OF FISH 7 FISH MEAL  |
| KORSAKOV BASE OF OCEAN FISHING (KBOR),<br>RUSSIA SATYENDRA AQUACULTURE LTD | FISH ALL KINDS (DEEP SEA FISHING)                     |  |
| A/O RYBFLOT, UKRAINE   | GREENWAVE MARINE HARVEST LTD                          | FISH ALL KINDS (DEEP SEA FISHING)                              |
| ESKIN SA, GERMANY  | HSR BUILDERS PVT LTD                                  | FISH CULTURE BY INTENSIVE FARMING                              |
| MR LOW WAN MONG, SINGAPORE   | APPLE ESTATE 7 CONSULTANTS PVT LTD                    | FISH PRESERVED   |
| CHAN TING BIU, HONG KONG   | CORLIN MARINO EXPORTS PVT LTD                         | FISH PROCESSING UNIT   |
| ALLIED SEA FOOD PTE LTD, SINGAPORE   | THAKUR AQUATIC FARMS PVT LTD                          | FRESH & FROZEN SHRIMPS   |
| BANGA, LATVIA  | INDAMAR AQUATICS PVT LTD                              | FROZEN FISH  |
| SOCIEDADE DE PESCA, PORTUGAL   | SHRI DILIP THOMAS                                     | FROZEN FISH  |
| TINGTAI INTERNATIONAL CO LTD, TAIWAN                                       | TING TAI INDIA LTD                                    | FROZEN FISH (DEEP SEA FISHING)                                 |

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**NAME OF FOREIGN COMPANY****NAME OF INDIAN COMPANY****ITEM OF MANUFACTURE/ACTIVITY**

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| OOKEAN, ESTONIA                                       | FORTUNE INTERNATIONAL LTD               | FROZEN FISH AND THEIR BY-PRODUCTS           |
| OCEANIC, RUSSIA                                       | MARINE RESOURCES INTERNATIONAL LTD      | FROZEN FISH CAUGHT BY FISHING VESSEL        |
| MITSUBISHI CORPN, JAPAN                               | INNOVATIVE MARINE FOODS LTD             | FROZEN MARINE PRODUCTS                      |
| NRI   | UNIROYAL MARINE EXPORTS LTD             | FROZEN MARINE PRODUCTS                      |
| HIGHNON FIAHWEY DEV CORPN, TAIWAN                     | SHARAT SEA FOODS LTD                    | FROZEN SHRIMP                               |
| TALCOTT INVT LTD, GOLD COIN SINGAPORE                 | SUVARNA AQUA FARMS & EXPORTS            | FROZEN SHRIMP (AQUACULTURE)                 |
| PVT LTD & ASIA PACIFIC SEA FOODS LTD, SINGAPORE       | PVT LTD                                 |   |
| CP FOOD PRODUCTS CO LTD, THAILAND                     | SANPO FISHERIES LTD                     | FROZEN SHRIMPS                              |
| JV MARINE ENTERPRISES CO LTD, TAIWAN                  | TEKNOMIN AQUA EXPORTS (I) LTD           | FROZEN SHRIMPS                              |
| KYOEI TRADING CO, JAPAN                               | V SURENDRAKUMAR                         | HATCHERY PLANT FOR PRAWN SHRIMPS            |
| FARMLAND INDUSTRIES INC & TRANSNATIONAL, USA & CANADA | INNOVATIVE MARINE FOODS LTD             | INDIVIDUALLY QUICK FROZEN MARINE PRODUCTS   |
| OPAL MARINE LTD, DENMARK                              | LAKSHADWEEP SHILPI AQUACULTURE LTD      | MARINE FISH                                 |
| SIGMA COATING BV, NETHERLANDS                         | ASIAN PAINTS (INDIA) LTD                | MARINE OFFSHORE & PREVENTIVE COATING (MOPC) |
| NAMYANGRA CO LTD, SOUTH KOREA                         | INKO FISHERIES PVT LTD                  | MARINE PRODUCTS                             |
| NRI   | KOLUTHARA EXPORTS LTD                   | MARINE PRODUCTS                             |
| NANA FOOD PRODUCTS CO LTD, THAILAND                   | MANGUTA AQUA FARMA LTD                  | PRAWN FEED                                  |
| SYSTEMS ACQUCULTURE, PHILLIPINES                      | S&S INDUSTRIES & ENTERPRISES LTD        | PRAWN HATCHERY                              |
| ALLIED SEA FOOD PTE LTD, SINGAPORE                    | PANCHAM AQUACULTURE FARMS LTD           | PRAWNS                                      |
| ALLIED SEA FOOD PTE LTD, SINGAPORE                    | PANCHAM AQUACULTURE FARMS LTD           | PRAWNS                                      |
| TRUDINA INVESTMENTS PTE LTD, SINGAPORE                | GUJARAT FISHERIES DEV CORP LTD          | PRAWNS                                      |
| MONARCH TRADING CO (JAPAN) LTD, JAPAN                 | SOUTHERN SEAFOODS LTD PRAWNS & SHRIMPS, | PROCESSED FOODS & PRAWN HATCHERY            |
| FRICATANAR, SPAIN                                     | ABAD EXIM PVT LTD                       | PRAWNS FROZEN                               |
| ASIA PACIFIC SEA FOODS LTD, SINGAPORE                 | ACQUINT EXPORTS PVT LTD                 | PREPARED & PRESERVED FISH                   |
| CRIS TAN INTL CO, THAILAND                            | SKT FISHERIES PVT LTD                   | PREPARED OR PRESERVED FISH                  |
| T FUJINGA, SINGAPORE                                  | MAC INDUSTRIES LTD                      | PREPARED/PRESERVED FISH                     |
| NRI   | MAGUNTA AQUAFARMS LTD                   | PROCESSED SHRIMPS (AQUACULTURE)             |
| TRUDINA INVESTMENTS PTE LTD, SINGAPORE                | COROMANDAL AQUACULTURE LTD              | SHRIMP                                      |
| DRW FOODS LTD, UK                                     | ABAD FISHERIES                          | SHRIMP (IQF) (MARINE PRODUCTS)              |
| TRUDINA INVESTMENTS PTE LTD, SINGAPORE                | COROMANDEL AQUACULTURE LTD              | SHRIMP CULTURE COMPLEX                      |
| NRI   | PAGORA FARMS PVT LTD                    | SHRIMP FARMING                              |
| PINGTAI ENTERPRISES CO LTD, CHINA                     | AVANTHI INDUSTRIES LTD                  | SHRIMP FEED                                 |
| CP AQUACULTURE BUSINESS GROUP, THAILAND               | CP AQUACULTURE BUSINESS GROUP           | SHRIMP FEED MILL, PROCESSED SHRIMPS         |

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**NAME OF FOREIGN COMPANY****NAME OF INDIAN COMPANY****ITEM OF MANUFACTURE/ACTIVITY**

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PRESIDENT ENTERPRISES CORPN, TAIWAN  
DR T FUJINAGA OF TRUDENA INV PVT LTD,  
SINGAPORE  
PINGTAI ENTERPRISES CO LTD, TAIWAN  
AQUACONULT BV, NETHERLANDS  
GULNAZ ENTERPRISES, MALAYSIA  
UNG ENG HUAN, MALAYSIA

UNG ENG HUAN, MALAYSIA

DAS MYOONG FISHERIES CO LTD,  
SOUTH KOREA  
NRI  
FLODAC BV, NETHERLANDS  
DALSEM VECIAP BV, NETHERLANDS

FLODAC BV, NETHERLANDS

FLODAC BV, NETHERLANDS  
FLORES HEIMSCHMUCK GMBH, GERMANY  
FLODAC BV, NETHERLANDS  
MOERHEIM ROSES & TRADING BV, NETHERLANDS  
PLANT & FLOWER NURSETTES LTD, ISRAEL  
DAUB VERHOEVEN BV, NETHERLANDS  
DAUB VERHOEVEN BV, NETHERLANDS  
PANESAR MKTG LTD, UK  
DANBREW LTD, DENMARK  
COCA COLA SOUTH ASIA HLDING INC, USA  
NRI  
KELLOGG CO, USA  
NRI  
NESTLE SA, SWITZERLAND  
MARS INCORPORATED, USA  
HARLEN FINE FOODS, SINGAPORE  
WILLIAM MCKINNON & CO, UK

NAV BHARAT ENTERPRISES LTD

GAM HOLIDAY RESORTS LTD  
AVANTHI INDUSTRIES LTD  
MINOTA AQUATECH LTD  
MARVEL SEA FOODS LTD  
SKYLINE AQUA ACE BIOTECHNOLOGIES  
PVT LTD  
SKYLINE AQUA ACE BIOTECHNOLOGIES  
PVT LTD

BUOYANCY

NATURAL SYNERGIES PVT LTDCUT FLOWERS, PLANTS/PLANTLETS & PLANT MATERIAL  
DECCAN FLORABASE LTD  
SD MUNDHRA C/O GEO MILLER &  
CO PVT LTD  
BALANOR PLANTATION & INDUSTRIES LTDCUT

COSCO BLOSSOMS PVT LTD  
RAMESH FLOWERS PVT LTD  
INDO HOLLAND AGRO EXPORTS LTD  
VISHWA FLORA LTD  
EID PARRY INDIA LTD  
INCORPORATED DAUB VERHOEVEN LTD  
INCORPORATED DAUB VERHOEVEN LTD  
D'EUROFOODS LTD  
SANJAY JAIN

PUNJAB MEATS LTD  
KELLOGG INDIA LTD  
PICRIC LTD  
INTERNATIONAL COCOA PRODUCTS LTD  
MARSINCORPORATED  
INDIAN BEVERAGES LTD COCONUT WATER, CREAM & FOCKTAILS LIKE PINACOLADA  
ELTEX GROUP COFFEE RICE COCOA & SUGAR CAN PROCESSING MACHINERY

SHRIMP FORMING

SHRIMP HATCHERY  
SHRIMP/PRAWN FEED ETC  
SHRIMPS & PRAWNS  
SHRIMPS (PRAWNS) CULTURE

TIGER PRAWNS

TIGER PRAWNS

UNDERTAKING DEEP SEA FISHING  
PLANTS/PLANTLETS & PLANT MATERIAL  
FLORICULTURE, CUT FLOWERS, ROSE PLANTS

CUT FLOWERS & FLOWER BUDS

FLOWERS AND FLOWER BUDS OF A KIND SUITABLE FOR  
BOUQUETS

CUT ROSE FLOWERS/FLOWERS FOR EXPORT  
DRIED FLOWER/PARTS OF PLANTS FOR DECORATIVE  
FLORICULTURE DEVELOPMENT  
FRESH CUT FLOWERS-ROSES  
ORNAMENTAL FLOWERS ETC

BAKERY MACHINERIES

BAKERY MACHINERIES

BANANA PUREE

BARLEY MALT AND MALT EXPORT

BEVERAGE ESSENCE & BEVERAGE BASES

BONELESS BUFFALO, MEAT ETC

BREAKFAST CEREALS

BROWN RICE (BASMATI) ETC.

CHOCOLATES

COCOA BASED CONFECTIONERY PRODUCTS

COCOA BASED CONFECTIONERY PRODUCTS

COCOA BASED CONFECTIONERY PRODUCTS

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| NAME OF FOREIGN COMPANY                                 | NAME OF INDIAN COMPANY                      | ITEM OF MANUFACTURE/ACTIVITY                                |
|---|---|---|
| CPC INTERNATIONAL INC, USA                              | CORN PRODUCTS CO (INDIA) LTD                | CONSUMER FOOD PRODUCT                                       |
| VAS LINK INTERNATIONAL LTD, HONG KONG                   | VARUNA AGROPROTEINS LTD                     | EDIBLE OILS & OIL EXTRACTION                                |
| NEDERLANDSE INDUSTRIE VAN EIPRODUKTEN,<br>NETHERLANDS   | INDO-DUTCH PROTEINS LTD                     | EGG POWDER & PRODUCTS                                       |
| FOOD ENGG SERVICES INC, USA                             | SHIVA EGG PRODUCTS LTD                      | EGG PRODUCTS  |
| DOHLER GMBH, GERMANY                                    | FLAVOURADE TN PVT LTD                       | FLAVOUR FOR FOOD INDUSTRY                                   |
| SUNSHINE ALLIED INSTRUMENTS LTD<br>SINGAPORE            | LOTUS CHOCOLATE CO LTD                      | FOOD ITEMS PERSERVED  |
| BUHLER LTD, SWITZERLAND                                 | BUHLER INDIA LTD                            | FOOD MILLING PLANTS, COFFEE CURING PLANTS                   |
| HIGH VALUE HORTICULTURE PLC, UK                         | VST INDUSTRIES LTD                          | FOOD PROCESSING   |
| KHULZENTRUM MARIENTAL, GERMANY                          | BIOTECH FROZEN FRUITS & VEGETABLE LTD       | FROZEN FRUITS & VEGETABLE                                   |
| OVOBELI LTD, BELGIUM                                    | SS AGARWALFROZEN LIQUID EGG PRODUCTS POWDER | EGG PRODUCTS  |
| ALIMENTA SPA, ITALY                                     | CLASSIC AGROFOODS LTD                       | FRUIT CONCENTRATE   |
| DOHLER GMBH, GERMANY                                    | FLAVOURADE TN PVT LTD                       | FRUIT JUICE CONCENTRATE FLAVOURS FOR FOOD & BEVERAGES       |
| FOOD INDUSTRIES PLANNING & SERVICES,<br>LTD SWITZERLAND | PANSUI FOODS LTD                            | FRUIT JUICE CONCENTRATES & PUREES-MANGO ETC                 |
| STANDARD COMMERCIAL TOBACCO CO LTD,UK                   | STANDARD COMMERCIAL TOBACCO<br>PVT LTD      | GREEN LEAF THREASHED REDRIED TOBACCO STEM<br>SCRAP          |
| BIOLINK CORPN, JAPAN                                    | BIOLINK HEALTHCARE PVT LTD                  | GYMNEMA EXTRACT   |
| HOYER SPA, ITALY  | ALFA LAVAL (INDIA) LTD                      | ICECREAM PLANT  |
| EMS INVENTA AG, SWITZERLAND                             | EMS CONSULTING ENGINEERS (INDIA)<br>PVT LTD | KNOW-HOW TECHNOLOGY & PROCESSES FOR SOY<br>PLANTS           |
| SEPPO RALLI DY, FINLAND                                 | LACTO PROTEIN INDIA LTD                     | LACTOSE, CASEIN WHEAT PROTEINS                              |
| EMIRATES TRADING AGENCY, UAE                            | CONWOOD FOOD INDUSTRIES LTD                 | LACTOSE, CASEIN, HUMANISED BABY FOOD & OTHER DAIRY PRODUCTS |
| FELD & HEHN GMBH, GERMANY                               | MEEPRO HEAVY ENGR LTD                       | MACHINERY PARTS FOR VEG OIL INDUSTRY                        |
| UNIPEKTIN AG, SWITZERLAND                               | WESTERN FRUIT & VEGETABLES LTD              | MANGO FROZEN PRODUCTS, MANGO CANNED PRODUCTS ETC.           |
| INSTITUTE OF ENGG. THERMO PHYSICS,<br>UKRAINE           | FITWELL ENGG LTD                            | MILK HOMOGENIZER  |
| ALFA LAVAL AGRI INTL, SWEDEN                            | DAIRY FARM EQUIPMENT (I) LTD                | MILKING MACHINE, DAIRY MACHINERY                            |
| STORY SUGAR, NETHERLANDS                                | ATV PROJECTS INDIA LTD                      | MILLS FOR SUGAR CRUSHER                                     |
| TECNAL PROJECTS, BRAZIL                                 | RURIS TECNAL EXTRACTION SYSTEMS<br>PVT LTD  | MINOR OILS  |
| FENCO PHARMA, ITALY & CIBS INTL<br>SERVICES, USA        | WENS AGRO FOODS LTD                         | MULTI-PURPOSE FRUIT AND VEGETABLE<br>PROCESSING PLANT       |

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| TENGKI SEVIT TERMINAL JASSATAMA,<br>INDONESIA          | PURE PALM LTD                               | PALMOLINE & STEARIN                                 |
| MAHARISHI HEAVEN ON EARTH DEV CORPN<br>B V NETHERLANDS | MAHARISHI HEAVEN ON EARTH DEVT<br>CORPN LTD | PLANT OF SINGLE CELL PROTEIN FOR<br>HUMAN NUTRITION |
| RICHTER SA, FRANCE                                     | GANESH VALLEY AGRO INDS & FARMS<br>PVT LTD  | PROCESSED GRAPE JUICE & PROCESSED<br>RAISING        |
| PROCTER & GAMBLE CO, USA                               | PROCTER & GAMBLE INDIA LTD                  | PSYLLIUM HUSK                                       |
| NISSIN TECH (SA) (P) LTD, SINGAPORE                    | INDO NISSIN FOODS LTD                       | READY TO EAT FOOD                                   |
| BULQINO PRADELLS ETC, ITALY                            | ITALCASING FOODS PVT LTD                    | SAUSAGES, MEAT PRODUCTS                             |
| FFB & P (UK) & SOYA TECH INC, UK                       | NECTAR (INTL) LTD*                          | SOYA PRODUCTS                                       |
| POLOGOVSKY OIL EXT PLANT, USSR                         | GOLDEN PROTEINS LTD                         | SOYA PRODUCTS EXTRACTION                            |
| LOHMANN TIERZUCHT GMBH, GERMANY                        | SELECT BIOLOGICALS PVT LTD                  | SPECIFIC PATHOGEN FREE EGGS                         |
| NRI  | AV THOMAS INDUSTRIAL PRODUCTS LTD           | SPICES & NATURAL FOOD FLAVOURS                      |
| TONES BROTHERS INC, USA                                | COCHIN SPICES PVT LTD                       | SPICES & OILS                                       |
| PETRON INTERNATIONAL INC, USA                          | PETRON INTL (INDIA) PVT LTD                 | SUGAR   |
| UNILON AG, SWITZERLAND                                 | LIPTON INDIA LTD                            | SUNFLOWER SEED OIL                                  |
| HIGH VALUE HORTICULTURE PLC, UK                        | WIMCO LTD                                   | TOMATO  |
| NRI  | NORTHLAND AGRO IND LTD                      | TOMATO PASTE ETC                                    |
| FENCO SPA, ITALY & CAM FINANCE SA,<br>SWITZERLAND      | WENS AGRO FOODS LTD                         | TOMATO PASTE, MANGO PASTE & GUAVA PASTE             |
| DON HODGSON AND JAN HODGSON, AUSTRALIA                 | EQUITORIAL PROVEDORES PVT LTD               | TOMATOES & OTHER VEGETABLES PREPARED OR PRESERVED   |
| BUSH BOAKE ALLEN LTD, UK                               | BUSH BOAKE ALLEN (INDIA) LTD                | VANILLA (FLAVOURS) OILS & OLEORESINS ETC            |
| FLAVEX NATUREXTRAKTE, GERMANY                          | FLAVEX AROMATS INDIA PVT LTD                | VEGETABLE OIL EXTRACTS                              |
| NRI  | KARAN SINGH                                 | VEGETABLE PRESERVED & PREPARED AND PACKING          |
| NRI  | GREAT WESTERN INDUSTRIES PVT LTD            | VEGETABLES/FRUIT PREPARED PRESERVED BY ACETIC ACID  |
| BARR & MURPHY OVERSEAS LTD, UK                         | VIDIANI AGROTECH INDUSTRIES LTD             | WHEAT GLUTEN  |
| BARR & MURPHY OVERSEAS LTD, UK                         | VIDIANI AGROTECH INDUSTRIAS LTD             | WHEAT GLUTEN  |
| ALTAIR, FRANCE   | TILAKNAGAR DISTILLERIES AND INDIA LTD       | WINE OF FRESH GRAPES INCLUDING FORTIFIED WINE       |
| LEASEFFRE ET CIE, FRANCE                               | SAF YEAST CO LTD                            | YEAST   |
| GLAXO GROUP LTD, UK                                    | GLAXO INDIA LTD                             | DRUGS, PHARMACEUTICALS PROCESSED FOODS ETC          |
| BSN SA GROUP, FRANCE                                   | BHAVIK HOME PRODUCTS P LTD                  | FOOD PROCESSING                                     |
| KELLOGG CO, USA  | KELLOGG INDIA LTD                           | FOOD PROCESSING                                     |
| UNIPEKTIN AG, SWITZERLAND                              | WESTERN FRUIT & VEGETABLES LTD              | FOOD PROCESSING                                     |
| CONAGRA CALGENE & AMERINDRA INTL, USA                  | PADAM K KHANNA                              | FOOD PROCESSING                                     |
| BLACK TIGER HOLDINGS LTD, UK                           | OCEAN BOUNTY LTD                            | FOOD PROCESSING INDUSTRY                            |

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| NAME OF FOREIGN COMPANY                 | NAME OF INDIAN COMPANY  | ITEM OF MANUFACTURE/ACTIVITY                                |
|---|---|---|
| TURRATTI SRL, ITALY                     | TURATTI FOOD PROCESSING MACHINES LTD                              | FOOD PROCESSING MACHINERY                                   |
| PANAFIN SPA, ITALY                      | PRONTO FOODS PVT LTD  | FULLY PROCESSED READY SEAFOOD                               |
| REITZEL INDUSTRIES HOLDING, SWITZERLAND | HARYANA COATED PAPERS LTD   | PROCESSED FOOD PICKLES & FRESH FRUITS & VEGETABLES          |
| PEPSICO INC, USA                        | PEPSI FOODS LTD   | PROCESSED POTATO/GRAIN FOODS, SOFT DRINK CONCENTRATES ETC.  |
| PEPSICO INC, USA                        | PEPSI FOODS LTD   | PROCESSED POTATO/GRAIN FOODS, SOFT DRINK CONCENTRATES, ETC. |
| NRI                                     | JMRPCO LTD  | PROCESSED SNACK FOODS                                       |
| R KANT & CO, UK                         | PREMIER LINENS LTD  | BED LINENS  |
| PETER ROBIN BLOOM, UK                   | ACME TEXTILES PVT LTD   | BLEACHED TERRY TOWEL, PRINTED TERRY TOWEL, PIECE DYED TERRY |
| SHINSUNG TONGSANG CO, SOUTH KOREA       | AEC (INDIA) LTD   | COTTON SOCKS  |
| SAM YON CORPN, SOUTH KOREA              | JAYALAKSHMI ASSOCIATES  | COTTON/SYNTHETIC KNITTED SOCKS, ETC                         |
| SUSHAN K ANAND, USA (NRI)               | SWARN FABRICS PVT LTD   | EMBROIDERY ON CLOTHES                                       |
| PIERRE CARDIN, FRANCE                   | PIERRE CARDIN FASHION CLOTHES, FASHION JEWELLERIES, LEATHER GOODS | GARMENT MANUFACTURER  |
| SUPER RIFLE SPA, ITALY                  | HI IMAGE PVT LTD  | GARMENTS  |
| TED LAPIDUS SA, FRANCE                  | ELAR FASHIONS LTD   | HIGH FASHION ARTICLE OF APPAREL FABRICS ETC                 |
| RAMESHWAR PAL SINGH                     | PRIME COLLECTION PVT LTD  | HIGH FASHION MEN'S & WOMEN'S WEAR                           |
| RAJESHWAR CHOPRA (NRI)                  | HL ANAND EXPORTS PVT LTD  | KNITTED ACRYLIC BLANKET                                     |
| MARUBENI CORPN, JAPAN                   | VARDHMAN TEXTILE PROCESSORS LTD                                   | KNITTED FABRICS & KNITTED GARMENTS                          |
| NRI                                     | KESHAV BHUPAL   | LEATHER GARMENTS  |
| NRI                                     | EURO LEDER FASHION LTD  | LEATHER GARMENTS  |
| MAYWEAR LEATHER LTD, UK                 | RANI FASHIONS PVT LTD   | LEATHER JACKETS & APPARELS                                  |
| BROADWAY MODE VERTRUEBS, GERMANY        | SRIKANTH KUMAR  | PANTY HOSE, STOCKINGS, TIGHTS, STOCKING HOSE, ETC           |
| WOOSIN TRADING COMPANY LTD, SOUTH KOREA | ANIL GUPTA  | SPORTS & LEISURE APPAREL                                    |
| LACHEMISE LACOSTE & DEVANLAY SA, FRANCE | SPORTS & LEISURE APPAREL LTD                                      | DRANGE OF LACOSTE APPARELS FOR MEN, WOMEN AND CHILDREN      |
| RIDER INC, USA                          | HORIZON APPARELS PVT LTD  | READYMADE GARMENTS  |
| SUMNESH KUMAR, JAPAN (NRI)              | MILANO OVERSEAS   | READYMADE GARMENTS  |
| NRI                                     | SWIZER EXPORT APPAREL LTD   | READYMADE GARMENTS  |
| JORDACHE ENTERPRISES INC, USA           | SHAILENDRA MITTAL   | READYMADE GARMENTS  |
| BRITISH VAN HEUSEN CO LTD, UK           | MADURA COATS LTD  | READYMADE GARMENTS  |
| USHA AGGARWAL, NRI                      | DOLLARMIN EXPORTE PVT LTD   | READYMADE GARMENTS OF VARIOUS FABRICS                       |
| PUMA AG RUDOLF, GERMANY                 | CARONA LTD  | SPORTS APPARELS   |
| KONI FASHION INC, SOUTH KOREA           | ADARSH K BHALLA   | TERRY TOWEL   |
| SIMBBA TEXTILE MILLS PVT LTD, AUSTRALIA | GOKAK PATEL VOLKART LTD   | TERRY TOWEL FABRICS & APPAREL                               |
| FROTTIERWEBEREI VOSSEN GMBH, GERMANY    | SHARADA TERRY PRODUCTS LTD  | TERRY TOWEL, HOME FURNISHINGS                               |

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| NAME OF FOREIGN COMPANY                                 | NAME OF INDIAN COMPANY            | ITEM OF MANUFACTURE/ACTIVITY                                    |
|---|-----------------------------------|---|
| NRI   | SHANSKA TEXTILES PVT LTD          | TERRY TOWELS  |
| NRI   | LEANRA TEXPORT LTD                | TERRY TOWELS  |
| NRI   | DIVYA ENTERPRISES PVT LTD         | TERRY TOWELS  |
| CAMIT INTL INC, USA                                     | MADALSA INTL LTD                  | TERRY TOWELS  |
| ASIAN FINANCE & INVESTMENT CORP LTD,<br>PHILLIPINES     | MODERN WOOLLENS LTD               | TERRY TOWELS  |
| GREENVILLE MACHINERY CORPN, USA                         | TERRYGOLD (INDIA) LTD             | TERRY TOWELS  |
| JUNG WON CORPORATION, SOUTH KOREA                       | GOLDWON TEXTILES LTD              | TEXTILE MADE-UPS, KNITTED SOCKS                                 |
| NRI   | MARIS APPARELS LTD                | WEARING APPARELS  |
| FLORIAN W KOENING, GERMANY                              | SUMAN EXPORTS                     | LEATHER GARMENTS  |
| SMALL BUSINESS ENTERPRISES, USSR                        | AKAI IMPEX LTD                    | SEMI FINISHED APPARELS  |
| SIAN SWEE (MEGA CONSTRUCTIONS) PTE<br>LTD, SINGAPORE    | EMMESSEN EXPORTS PVT LTD          | CUT & POLISHED GRANITE MONUMENTS & MAKERS                       |
| OLYMPIA LTD, IRELAND                                    | INLAC GRANSTON LTD                | CUT & POLISHED GRANITE TILES                                    |
| NRI   | INDO EUROPE MINES & MINERALS LTD  | GRANITE & MARBLE TILES, SLABS & SPECIAL ITEMS LIKE<br>FURNITURE |
| EMIRATES TRADING AGENCY, UAE                            | CRYSTAL GRANITE & MARBLE PVT LTD  | GRANITE BLOCKS  |
| FINISH FUND FOR INDL DEVT CORPN LTD,<br>FINLAND         | FIRST STONEX CO OF INDIA LTD      | GRANITE LARGE SLABS GRANITE MONUMENTS                           |
| KAISE-SHOJI-KAISHA LTD, JAPAN                           | KAISEI KATTI-MA GRANITES PVT LTD  | GRANITE MONUMENTS   |
| WORLD TRADING CO LTD, JAPAN                             | RASLEE GRANITE PVT LTD            | GRANITE MONUMENTS   |
| MAGRATEX AG CHAMBER STRASSE 67 6303<br>ZUG, SWITZERLAND | EASTERN KING GRANITES PVT LTD     | GRANITE MONUMENTS & GRANITE SLABS                               |
| NRI   | SOHAIL GRANITES LTD               | GRANITE SLABS   |
| MOHD DARWISH GHABHAN EST, SAUDI ARABIA                  | LAK MINERALS LTD                  | GRANITE SLABS   |
| FI IMM SRI, ITALY                                       | AHIMSA MINES & MINERALS LTD       | GRANITE SLABS   |
| B BARSANTI & CO, ITALY                                  | GOLDROCK GRANITES LTD             | GRANITE SLABS & GRANITE MONUMENTS                               |
| AL SUBOHA MODERN TECHNOLOGIST,<br>SAUDI ARABIA          | INDO ARAB GRANITES LTD            | GRANITE SLABS & GRANITE TILES                                   |
| NRI   | HIPOLIN GRANITES INDIA LTD        | GRANITE SLABS & GRANITE TILES                                   |
| NRI   | RAVI LEELA GRANITES LTD           | GRANITE SLABS & GRANITE TILES                                   |
| VIVA L'ITALIA SRL, ITALY                                | VIVA GANJAWALLA GRANITE INDIA LTD | GRANITE SLUSH MACHINE   |
| NRI   | ARBUDA GRANITE INDS PVT LTD       | GRANITE TILES   |
| DONG IN STONE INDUSTRIAL CO LTD,<br>SOUTH KOREA         | DISCO STONE INDO PVT LTD          | GRANITE TILES AND SLABS   |

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**NAME OF FOREIGN COMPANY****NAME OF INDIAN COMPANY****ITEM OF MANUFACTURE/ACTIVITY**

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| WORLD TRADING CO LTD, JAPAN            | WTC GRANITES PVT LTD  | POLISHED GRANITE MONUMENTS AND LANTERMS      |
| NRI                                    | JASWAL GRANITES LTD   | POLISHED GRANITE SLABS                       |
| NRI                                    | TK MAHAPATRA  | POLISHED GRANITE SLABS                       |
| PANNENAC KORWOC., GERMANY              | UNI GRANITES LTD  | POLISHED GRANITE SLABS                       |
| NRI                                    | SOLOOROCK GRANITES EXPORT PVT LTD                                       | POLISHED GRANITE SLABS/TILES/MONUMENTS       |
| NRI                                    | YENEPOYA MINERALS & GRANITES P LTD                                      | POLISHED GRANITE TILES, STABS, MONUMENTS ETC |
| SYBILLE LAPPE & CO, GERMANY            | ELAND DIAMOND TOOLS (P) LTD   | SEGMENTED BLADES FOR CUTTING GRANITE ETC.    |
| FIGAIA SPA, ITALY                      | PAWAN TALWARSERPENTINE GREEN MARBLE SLABS, TILES UNPOLISHED             |  |
| MARMOR SCHICK ULM, GERMANY             | GAMBHIR WATTSSPECIAL PURPOSE BUILDING DECORATIVE MARBLE & GRANITE TILES |  |
| MANDARIN ORIENTAL INTERNATIONAL LTD    | MODI OVERSEAS INVESTMENT LTD  | 5 STAR GRAND LUXE HOTEL                      |
| HONGKONG                               |   |  |
| SOUTHERN PACIFIC HOTEL CROIG MUIR,     |   |  |
| BRITISH VIRGINIA                       | ANSAL RESORTS & HOTELS LTD  | BEACH RESORT                                 |
| SOUTHERN PACIFIC HOTEL CORPN LTD,      | PUSHPA BUILDERS LTD   | FOR CONSTRUCTION OF 4 STAR HOTELS AT LUCKNOW |
| AUSTRALIA                              |   |  |
| SHEIK KHALIFA BIN FAHAD AL THANI       |   |  |
| DOHA, QATAR                            | SAAZ INN LTD  | HOTEL  |
| HAJI MOHD TAHIR HONODI, UAE            | ARIEN HOTELS (I) LTD  | HOTEL  |
| JCV JONES, UK                          | BEACH ARK HOTELS PVT LTD  | HOTEL  |
| DAEWOO CORP, SOUTH KOREA               | BHARTI TELECOM LTD  | HOTEL  |
| SHERATON INTL INC, USA                 | ITC LTD   | HOTEL  |
| MARRIOTT MAURITIOUS LTD, MAURITTIUS    | MARIOTT HOTELS INC  | HOTEL  |
| HOLIDAY INN WORLDWIDE, GERMANY         | CAPITAL DEVELOPERS LTD  | HOTEL  |
| M & A INTL LTD, USA                    | APPU HOTELS LTD   | HOTEL  |
| SOUTHERN PACIFIC HOTEL CROIG MUIR      | SRI TRIPURUSUNDARI HOTELS PVT LTD                                       | HOTEL & TOURISM                              |
| BRITISH VIRGINIA                       |   |  |
| BASS INTERNATIONAL HOLDINGS NV,        |   |  |
| NETHERLANDS                            | PALLAVA HOTELS CORPN LTD  | HOTEL & TOURISM                              |
| ROB POUNEY (UK) & PH HELL, GERMANY     | KEYSTONE HOLDINGS PVT LTD   | HOTEL & TOURISM                              |
| ROB POUNEY (UK) & PH HELL, GERMANY     | ARANYAKA ADVENTURES PVT LTD   | HOTEL & TOURISM                              |
| CC CATS, SPAIN                         | CC CATAMARANS CHARTER PVT LTD   | HOTEL & TOURISM                              |
| NICKLAUS DESIGN GOLDEN BEAR INT'L      |   |  |
| INC, USA                               | LANDBASE INDIA LTD  | HOTEL & TOURISM RELATED INDUSTRY             |
| THOMAS PAGLIUSO DESIGN ASSOCIATES, USA | HOTEL LEELA VENTURE LTD   | HOTEL AND TOURISM                            |
| FSDL SA, UK                            | HOTEL LEELA VENTURE LTD   | HOTEL AND TOURISM                            |

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**NAME OF FOREIGN COMPANY****NAME OF INDIAN COMPANY****ITEM OF MANUFACTURE/ACTIVITY**

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| CINNAMON HOTELS LTD, MAURITIUS<br>BURGEN PATZEHKE, GERMANY<br>HYATT INTERNATIONAL ASIA PACIFIC LTD,<br>HONG KONG<br>CLUB PERFORMANCE SYSTEM ASIA LTD,<br>THAILAND<br>NEW WORLD OF HONGKONG, HONG KONG<br>NICKLAUS DESIGN GOLDEN BEAR INTL, USA<br>AEROFLOT, USSR<br>NRI   | PROFESSIONAL HOTELS PVT LTD<br>SUNWINGS HOLIDAY RESORTS P LTD<br><br>ASIAN HOTELS LTD<br><br>RAHEJA HOTELS PVT LTD<br>DADI BALSARA<br>HOTEL LEELA VENTURE LTD<br>ASHOK AEROFLOT CORPN LTD<br>RAM LAXMAN HOTELIERS & CATERERS<br>PVT LTD<br>PAN PACIFIC HOTELS PVT LTD<br>MAKEWAVES SEA RESORT (P) LTD<br>PROFESSIONAL HOTELS PVT LTD<br>DEVINDERPAL SINGH, C/O MEHRA<br>& SISTANI<br>SJ INTERNATIONAL<br>JAYNA MEFA INDIA LTD<br>ELECTROMAG DEVICES PVT LTD<br>VR EQUIPMENT LTD<br>KONARK FIXTURES PVT LTD<br>UTKAL ELECTRICALS PVT LTD<br>RAJ IMPEX (INDIA)BLEACHING OF HAIRS IN DIFFERENT COLOURS, WIGS ETC.<br>COLO WRITING INSTRUMENTS LTD<br>PRAJ COUNSEL TECH PVT LTD<br>FIVE STAR ENGINEERS & AGENTS PVT LTD<br>SONA CAR SEATS LTD<br>MURUDESHWAR DECOR LTD<br>MEHTA CERAMICS PVT LTD<br>MADHUSUDAN CERAMICS DIVN OF<br>FILTRONA INTL LTD<br>BEEKAY ENGG CORPN<br>COCO HORTICULTURE PROJECTS PVT LTD<br>PODAR ARIRANG INDIA LTD<br>COIMBATORE COTS & COATINGS LTD | HOTEL AND TOURISM RELATED INDUSTRIES<br>HOTEL CUM TOURISM<br><br>HOTEL INDUSTRY<br><br>HOTEL INDUSTRY<br>HOTELS & RESORTS<br>INV GOLF COURSE AT GOA WITH RESORT HOTEL<br>RESTRUCTURING OF HOTEL RANJIT<br>SETTING UP A 5 STAR HOTEL PROJECT AT PUNE<br><br>SETTING UP A HOTEL PROJECT<br>SETTING UP OF FIVE STAR HOTELS<br>TOURIST COMPLEX<br>FASHION ACCESSORIES & LEATHER GOODS UNDER<br>100% EO SCHEME<br>ANTI-WRINKLE FACE CREAMS<br>APPLIQUE TYPE OF WATCH DIALS<br>AUTO LOCKS<br>AUTOMATIC FEED CONVEYORS FOR LIVESTOCK<br>BALLASTS LIGHTING FIXTURES<br>BALLASTS LIGHTING FIXTURES<br>CHINA & PORCELAIN WARES<br>CIGARETTE FILTERS<br>COFFEE POT BLEEDER VALVE<br>COIR FIBRE PITH<br>COSTUME JEWELLERY<br>COTS & APRONS |
| MRS P S SINGAPURI<br>CHAMPNEYS GROUP LTD, UK<br>COUNTRY HOSPITALITY CORPORATION, USA<br>BALBIR CHAWLA INC, USA<br><br>FACCIA LTD, USA<br>MEI HUA PRECISION INDUSTRY CO LTD, CHINA<br>YU CHICH & CO, TAIWAN<br>ROXELL N V, BELGIUM<br>GENERAL ELECTRIC CO, USA<br>GENERAL ELECTRIC CO, USA<br>RODOLFO VALENTIN COIFFEUR INC, USA<br>NRI<br>DAB BRAU COUNSELT GMBH, GERMANY<br>BOTTONIFICIO FENILI SRL, ITALY<br>SUZUKI MOTOR CORPN, JAPAN<br>SERVICE SRI C SO MATTEOTTI, ITALY<br>PHOENIX SRL, ITALY<br>LISLAND LAND, UK<br>FILTRONA INTL LTD, UK<br>HAILY ENGG INC, USA<br>RICHARD R HARDY & CO, UK<br>ARIRANG JEWELLERY CO., LTD, SOUTH KOREA<br>OTTO KUHNEN KG, AUSTRIA |  |  |

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**NAME OF FOREIGN COMPANY****NAME OF INDIAN COMPANY****ITEM OF MANUFACTURE/ACTIVITY**

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| GREEN PARK GEM INC, USA                              | EXCEL GEMS PVT LTDCUTTING & POLISHING OF ALL TYPES OF PRECIOUS & SEMI PRECIOUS         |   |
| SETELEC, FRANCE                                      | TORRENT MEDICAL SYSTEMS LTD  | DENTAL CARE KITS                                      |
| THE WALT DISNEY CO, USA                              | THE WALT DISNEY CO   | DEVELOP AND MARKET WALT DISNEY PRODUCTS               |
| ANTHONY STEWART, UK                                  | AUTOPOINT (INDIA) LTD  | ELEC ANTIDZAALE REAR VIEW MIRROR                      |
| TECHNOSTRAL TRADING LTD, BRAZIL<br>(TECHNICAL)       | ELTEX GROUP ELECTRONIC COLOR SORTING MACHINES USED<br>FOR SEEDS GRAINS                 |   |
| TRELLENS HB, SWEDEN                                  | CONTRONIC INTERNATIONAL PVT LTD  | ELECTRONIC SECURITY SYSTEMS                           |
| NRI  | PREYANSHU FINANCE  | FILTER CIGARRETES                                     |
| MULTI CHAMPS SDN BDH, SALANGOOR                      | MULTI LIGHTING CONTROLS (I) LTD  | FLUORESCENT BALLASTS                                  |
| CITRI-CIDE INTERNATIONAL PVT LTD                     | DECENT DYE-CHEM PVT LTDFLY SYRUP, AIR FRESHNERS, HAND CREAM & CARPET CLEANERS          |   |
| NANZ INDIA KG, GERMANY                               | GOETZE (INDIA) LTD   | FOR SETTING UP A CHAIN OF SUPER MARKETS               |
| MOSAR AG, SWITZERLAND                                | KAILASH MOSAR IND LTD  | GARBAGE COLLECTION AND DISPOSAL UNIT                  |
| NRI  | JN JEWELLERS   | GOLD JEWELLERY  |
| HALLMARK CARDS INC, USA                              | VINTAGE CARDS & GREETINGS  | GREETING CARDS  |
| J S CHOPPIUS, FRANCE                                 | MUGHAL ART PALACE PVT LTDHANDICRAFTS MADE OF WOOD, IRON, GLASS, BRASS ETC.             |   |
| JAQUES VAN EYCK, BELGIUM                             | BHOLANATH CARPETS LTD  | HANDTUFTED CARPETS WITH MODERN TECHNOLOGY             |
| LINCOLN CHINA CO INC, USA                            | OSHO CERAMICS LTDHIGH QUALITY CERAMIC POTTERY WARES & TABLEWARES                       |   |
| THEODOR GROZ & SOEHNE & ERNST BECKERT                | RAVINDER NARAIN MATHUR & CO  | HOSIERY NEEDLES                                       |
| NADELFABRIK COMMANDIT-GESEL, GERMANY                 |  |   |
| RITE LITE SIGN CO & RITE LITE INC, USA               | JAGNU GLOW SIGNS PVT LTDILLUMINATED SIGNS, ILLUMINATED NAME PLATES & LIKE              |   |
| PHILIPS CONSUMER ELECTRONICS INTL BV,<br>NETHERLANDS | SUPER CASSETTES INDUSTRIES LTDINSTALLATION OF AUDIO COMPACT DISC PRODUCTION LINE       |   |
| SERIBO GROUP, FRANCE                                 | HERITAGE FURNITURE LTD   | KNOCKED DOWN FURNITURE                                |
| EJ LAUKKU OY (THEE BAGS OF FINLAND)                  | D SURESH THREE BAGS INDIA PVT LTDLADIES HANDBAGS, MEN'S PORTFOLIO BAGS &<br>TRAVEL BAG |   |
| NRI  | J K JAIN   | LATEX EXAMINATION GLOVES                              |
| ISA BREEDERS INC, USA                                | VENKATESWARA RESEARCH & BREEDING<br>FARM LTDCHICKS                                     | LAYER POULTRY PARENT BREEDING DAY-OLD                 |
| MR K G KARG, KOREA & OSMOND KU<br>HONG KONG          | SAIF INTERNATIONAL (EXPORTS) PVT LTD   | LEATHER WALLETS & LEATHER GOODS                       |
| EUCO INC, TAIWAN                                     | ACME LOCK PVT LTD  | LOCKS   |
| HULSBECK & FURST GMBH & CO KG,<br>GERMANY            | HULSBECK & FURST TECHNOLOGIES LTD  | LOCKS FOR TWO WHEELERS & FOUR WHEELERS<br>AUTOMOBILES |
| SEOHUNG INDL CO LTD, KOREA SOUTH                     | MURARI LAL MURARKAMALE RUBBER CONTRACEPTIVES UNDER 100% EOU SCHEME                     |   |
| KONE OY & FINISH FUND FOR IND DEV                    | KONE ELEVATOR INDIA LTD  | MFR., SUPPLY, INSTALLATION & SERVICE OF               |

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| CORP, FINLAND<br>TESIO PRECISION INDUSTRY CO LTD,<br>TAIWAN  | KAMLA DIALS & DEVICES LTD   | PASSENGER LIFTS<br>ORNAMENTAL WATCH DIALS   |
| YALE SECURITY PRODUCTS LTD, UK<br>PUPIL OF ITALY, ITALY<br>JACQUEA NOEL, FRANCE<br>MIDAS OPTICAL CO LTD, KOREA SOUTH<br>MICHEAL BONKE, GERMANY<br>CJ CORNELL & MRS APRIL CORNELL, CANADA<br>LEE CHUN KOO, SOUTH KOREA<br>RJ REYNOLDS TOBACCO INTL SA,<br>SWITZERLAND<br>HY LINE INTL, USA<br>UTS UHRENTTECHNIK SCHWARZWALD GMBH,<br>GERMANY<br>LONDON INTERNATIONAL GROUP PLC, UK<br>NRI<br>PHILIPS MEDICAL SYSTEMS INTL,<br>NETHERLANDS<br>HARWAKOYYO CO, JAPAN<br>DOMITECH AB, SWEDEN<br>LOHMANN TIERZUCHT GMBH, GERMANY<br>TATUM FARMS, USA | YALE INDIA LTD<br>DADI BALSARA<br>KUKAR SONS EXPORTS PVT LTD<br>MIDAS SAGAR OPTICALS PVT LTD<br>ADITI DIAMONDS PVT LTD<br>CORNELL GUPTA PRINTING PVT LTD<br>KORIN ENTERPRISES PROCESSING OF HUMAN HAIR<br>MODI ENTERPRISES & THE HINDITRON<br>GROUP<br>TASS AGRO TECH PVT LTD<br><br>JAYNA TIME INDUSTRIES LTD<br>LONDON RUBBER CO (I) LTD<br>CUPID RUBBERS LTD<br>PHILIPS MEDICAL SYSTEMS INDIA<br>(P) LTD<br>BHARAT SEATS LTD<br>SECURITY ELECTRONICS PVT LTD<br>SELECT BREEDERS LTD<br>TATUM SANCHI INDIA LTD<br><br>APSARA PLASTICS PVT LTD<br>NEW WAY CHEMICALS & POLISHES LTD | PAD LOCKS, FURNITURE LOCKS OTHER LOCKS<br>PERFUMES & COSMETICS<br>PERSONAL DEODORANTS & ANTI PERSPIRENTS<br>OTHER MATERIAL FRAME & PARTS OR SUN GLASSES<br>POLISHING OF DIAMONDS<br>PRINTING FABRICS, DYEING AND BLEACHING<br>(PROCESSED HUMAN HAIR)<br>PROCESSING/BLENDING OF TOBACCO & MFG<br>CIGARETTES<br>PRODUCTION OF EGG TYPE BREEDING STOCK<br><br>QUARTZ CLOCK MOVEMENT<br>RUBBER CONTRACEPTIVES<br>RUBBER PROPHYLACTICS (CONDOMS)<br>SALES & MARKETING OF PHILLIPS MEDICAL<br>ELECTRONIC DIAG SYS<br>SEAT ASSEMBLIES FOR AUTOMOBILES<br>SECURITY ALARM SYSTEM<br>BREEDING OPERATION FOR PRD TN OF EGG<br>SETTING UP OF A CHICKEN BREEDING FARM &<br>INTEGRATED CHICKEN<br>SHARPENER BLADES<br>POLISH, DOMESTIC HYGIENE PRODUCTS, LEATHER CARE<br>PRODUCT<br>SPECTACLE LENSES<br>STUFFED TOYS<br>SUGAR CANE TOP CATTLE FEED<br>SWIVEL SEATS<br>SYNTHETIC DETERGENT<br>SYNTHETIC DETERGENT<br>SYNTHETIC DETERGENT<br>SYNTHETIC DETERGENTS |
| SEKI BLADES MFG CO LTD, JAPAN<br>SARA LEE CORPORATION, USA<br><br>D&H ASS, USA<br>HWA SEOUNG, SOUTH KOREA<br>AMAJIN CO LTD, JAPAN<br>KLOBER GMBH & CO, GERMANY<br>PROCTER & GAMBLE CO, USA<br>PROCTER & GAMBLE CO, USA<br>GESELLSCHAFT & MR E WILTMAN, GERMANY<br>BENCKISER FORCAST GMBH, GERMANY  | BERCKISER INDIA PVT LTD   |   |

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**NAME OF FOREIGN COMPANY****NAME OF INDIAN COMPANY****ITEM OF MANUFACTURE/ACTIVITY**

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RICHARDSON VICKS INC, USA  
ECCO DESIGN INC, USA  
ROSE OF ENGLAND CHINA, UK

SHOWA RUBBER CO LTD, JAPAN  
ITALORA SPA, ITALY  
MCDONALD'S CORPN, MCDONALD PLAZA, USA  
COLGATE PALMOLIVE CO, USA  
BRANLAGE GMBH, GERMANY  
CUSSENS GROUP LTD, UK  
V/O LICENSITORG, USSR  
VULLUME SA & KANGA TOYS, FRANCE &  
NETHERLANDS  
FOUNTAIN NETHERLANDS HOLDINGS,  
NETHERLANDS  
SYCRILOR SA, SWITZERLAND

TRICO FOLBERTH LTD, UK  
OMC GROUP LTD, UK  
NRI  
NRI  
SERVIZI INTERNAZIOLE TERRA  
MARE SRL, ITALY  
SERVIZI INTERNAZIOLE TERRA  
MARE SRL, ITALY  
DALSEM VECIAP BV, NETHERLANDS  
DALSEM VECIAP BV, NETHERLANDS  
MACON ENGG LTD, UK  
DALSEM VECIAP BV, NETHERLANDS  
ASIA WAY INDUSTRIAL LTD, ISRAEL  
HAEGENS HOLLAND BV, NETHERLANDS  
HAEGENS HOLLAND BV, NETHERLANDS  
AEM BV, NETHERLANDS  
HAEGENS BV, NETHERLANDS  
HAEGENS HOLLAND BV, NETHERLANDS

PROCTER & GAMBLE INDIA LTD  
REAL VALUE APPLIANCES LTD  
TIRUPATI CERAMICS LTD  
TABLEWARE, KITCHENWARE, OTHER

FOREMOST RUBBER LTD  
FACIT ASIA LTD  
COLGATE PALMOLIVE (I) LTD  
MAGNA INDUSTRIES & EXPORTS LTD  
RR COMERBHOY PVT LTD  
UK PAINT INDUSTRIES LTD  
NASHA TOYS PVT LTD

FOUNTAIN CONSUMER APPLIANCES  
PVT LTD  
TITAN WATCHES LTD

WEST INDIA POWER EQUIP LTD  
BHILWARA COTRAN LTD  
ALPHA WOVEN LABELS (INDIA) PVT LTD  
ALPHA WOVEN LABELS (INDIA) PVT LTD  
STICKWELL FASHIONS PVT LTD

STICKWELL FASHIONS PVT LTD

RAKSONS LEASING & FINANCE LTD  
SAPTARISHI AGRO INDUSTRIES LTD  
RAJASTHAN OIL TECH LTD  
NAGARJUNA FARM PRODUCTS  
GREEN PEACE LABORATORIES  
SATNAM HAEGENS LTD  
DASHMESH-HAEGENS AGRO TECH. LTDMUSHROOM AND TRUFFLES PREPARED OR PRESERVED  
FARMTEK AGRO EXPORTS LTD  
HS HARNOTIA  
MK MODIMUSHROOM IN PACKED FORM 100% EXPORT ORIENTED SCHEME

SYNTHETIC DETERGENTS  
TABLEWARE & KITCHENWARE  
HOUSEHOLD ARTICLES  
TENNIS BALL  
TIMERS  
TO SET UP MCDONALD RESTAURANTS  
TOILET SOAPS  
TOILET SOAPS  
TOILET SOAPS, TOILETRIES ETC.  
TOOTH PASTE  
TOYS & EDUCATIONAL AIDS

VENDING MACHINES INCORPORATING HEATING  
OR REFRIGIRATING DEVI  
WATCH CASES, BRACELET, LINKS, CLASPS,  
BUCKLES ETC.

WIND SCREEN WIPERS  
WOOLLEN FABRICS  
WOVEN GARMENT LABELS  
WOVEN GARMENT LABELS  
WOVEN LABELS & TIE FABRICS

WOVEN LABELS FOR GARMENTS & MADE-UPS

BUTTON MUSHROOMS CANNED  
CANNED WHITE BUTTON MUSHROOMS  
CULTIVATION & CANNING OF BUTTON MUSHROOM  
EDIBLE BUTTON MUSHROOMS  
GROWING AND PROCESSING OF MUSHROOMS  
MUSHROOM  
MUSHROOM GROWING AND PROCESSING  
MUSHROOM IN PACKED FORM

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| DALSEM VECIAP BV, NETHERLANDS      | DALSEM VECIAP (INDIA) LTD                | MUSHROOM PRODUCTS                             |
| TURRATTI SRL, ITALY                | MANDEEP MUSHROOMS PVT LTD                | MUSHROOMS                                     |
| DALSEM VECIAP BV, NETHERLANDS      | TRANSCHEM LTD                            | MUSHROOMS                                     |
| ASIA WAY INDUSTRIAL LTD, HONG KONG | ESKAY AGRO-TECH LTD                      | MUSHROOMS (WHOLE/BUTTONS/PIECES/STEMS)        |
| HAEGENS HOLLAND BV, NETHERLANDS    | GITANJALI ENTERPRISESPROCESSED MUSHROOMS | & MUSHROOM BASED PRODUCT                      |
| DART INDUSTRIES INC, USA           | PREMIER PRODUCTS INC*                    | ARTICLES FOR CONVEYANCE OR PACKING            |
| STRUCTURE FLEX LTD, UK             | JUMBO BAG LTD                            | ARTICLES FOR PACKING OF GOODS                 |
| NRI                                | SUPRAPTI PLASTICS LTD                    | ARTICLES FOR THE CONVEYANCE OR PACKING OF     |
|                                    | GOODS, OF PLASTIC                        |   |
| PROPACK HOLDING AG, SWITZERLAND    | RAS LAMINATES LTD                        | ARTICLES FOR THE PACKING OF GOODS OF PLASTICS |
| VENTOMATIC SA, SWITZERLAND         | BHP ENGINEERS LTD                        | BAG FILLING MACHINERY WITH MECH/ELECTRNIC     |
|                                    | CHECK WEIGHD                             |   |
| VENTOMATIC SA, ITALY               | BHP ENGINEERS LTD                        | BAGGING MACHINERY                             |
| FLAMEGRACE LTD, UK                 | HIGH TECH PLAST CONTAINERS (I) LTD       | BOXES, CANS, CASES                            |
| FLAMEGRACE LTD, UK                 | HITECH PLAST CONTAINERS (I) LTD          | BOXES, CANE CRATES, MATERIAL HANDLING         |
|                                    | JARS, STOPPERS, LIDS, CAPS               |   |
| FELLINS INC, USA                   | ITW SIGNODE INDIA LTD                    | OTHER PACKING OR WRAPPING MACHINERY           |
| FUJI SEAL INC, JAPAN               | PAPER PRODUCTS LTD                       | PACKAGING FOR FOOD ITEMS                      |
| NRI                                | ASIAN CAN LTD                            | PACKAGING FOR FOODS ITEMS                     |
| LESSAG HBB GMBH, GERMANY           | USHA MARCONI MICROELECTRONICS LTD        | PACKAGING OF SEMI-CONDUCTOR DEVICES           |
| CENTROPAC, NETHERLANDS             | TETRA-PAK INDIA PVT LTD                  | PACKAGING/WRAPPING MACHINERY                  |
| STOROPACK GMBH, GERMANY            | STYRODYNE PACKAGING PVT LTD              | PACKING FOR PLASTIC GOODS                     |
| BALDURIN BV HOLLAND, NETHERLANDS   | TETRA-PAK INDIA PVT LTD                  | PACKING MACHINERY FOR FOOD PROCESSING         |
| HEINRICH QUANTE BERGUND            | OTTO INDIA LTD                           | PACKING MATERIAL TELESCOPIC PROPS             |
| INGENEURTECHNIK, GERMANY           |  |   |
| NRI                                | SUVIN COEXTRUSIONS LTD                   | PACKING OF GOODS OF PLASTICS                  |
| SIGNODE CORPN, USA                 | ITW SIGNODE INDIA LTD                    | PACKING WRAPPING MACHINES                     |
| SEMI-CONDUCTOR PACKAGING MATERIALS | SEMICONDUCTOR PACKING MATERIALS          | SEMI-CONDUCTOR PACKAGING MATERIALS ETC.       |
| LTD, USA                           | CO (I) LTD                               | UNDER 100% EXPORT                             |
| ITW MIMA, USA                      | ITW SIGNODE INDIA LTD                    | STRETCH WRAPPING & PACKAGING SYSTEMS          |
| BAGFILLA O/S LTD, UK               | STANPACKS INDIA PVT LTD                  | MACHINE FOR FILLING                           |
| ECM MECAPLASTIC, FRANCE            | SAMARPAN FABRICATORS LTD                 | PACKAGING MACHINERY                           |
| AMERICAN GREETINGS CORP, USA       | ARCHIES GREETINGS & GIFTS PVT LTD        | GREETING CARDS ETC.                           |
| GTE DIRECTORIES LTD, USA           | STERLING COMPUTERS LTD                   | PRINTED TELEPHONE DIRECTORIES                 |
| GTE DIRECTORIES (ASIA) LTD, USA    | STERLING COMPUTERS LTD                   | PRINTED TELEPHONE DIRECTORIES YELLOW PAGES,   |

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|   |   |   |
|---|---|---|
| PEARSON PLC, UK   | RELATED PRODUCTS<br>SILVERTONE INDIA PVT LTD<br>NEWSPAPER   | PUBLICATION OF DAILY ENGLISH FINANCIAL  |
| VIGRO BIOTECHNOLOGIE, NETHERLANDS<br>VENKATESH KRISHNAMURTHY LAKE PLACID,<br>USA  | DRS BIOFLORA PVT LTD<br>ALKEN LEBORATORIES LTD  | HIGH YIELDING PLANT<br>OTHER LIVE PLANTS/ROOTS  |
| CERES VITRO B V, NETHERLANDS<br>RICHTER SA, FRANCE<br>CULTISS HOLLAND BV, NETHERLANDS<br>CULTISS HOLLAND BV, NETHERLANDS<br>INDENA SPA, ITALY<br>INTL. REFORESTATION SUPPLIERS, AUSTRALIA<br>GREEN TEK HOLLAND, NETHERLANDS<br>RICHER SA, FRANCE<br>FRANCOIS GERALD, FRANCE<br>CEREX TRADING (UK) LTD, UK<br>CULTISS HOLLAND BV, NETHERLANDS<br>CULTISS HOLLAND BV, NETHERLANDS<br>CULTISS HOLLAND BV, NETHERLANDS<br>CULTISS HOLLAND BV, NETHERLANDS<br>CULTISS HOLLAND BV, NETHERLANDS<br>CULTISS HOLLAND BV, NETHERLANDS<br>CULTISS HOLLAND BV, NETHERLANDS<br>CULTISS HOLLAND BV, NETHERLANDS<br>DR S M SEHGAL<br>PIONEER OVERSEAS CORPN, USA | SOUTH INDIA VISCOSE LTD<br>INDO FRENCH BIOTECH ENTERPRISES LTD<br>SHEEL BIOTECH PVT LTD<br>CADILA LABORATORIES LTD<br>ALTHEA INTERNATIONAL PVT LTD<br>INDO AUSTRALIAN GOLDEN PLANTATIONS<br>HARRISONS MALAYALAM LTD<br>INDO FRENCH BIOTECH LTD ?????<br>UNICORN NATURAL PRODUCTS<br>CEREX TRADING (UK) LTD<br>BIOTECH INTERNATIONAL LTD<br>SHEEL BIOTECH PVT LTD<br>SHEEL BIOTECH PVT LTD<br>FLOWER & TISSUE INDIA LTD<br>SHYAM MAHABIRPRASAD JATIA<br>CADILA LABORATORIES LTD<br>KOTHARI INDUSTRIAL CORPN LTD<br>INDAGRO TISSUE TECH PVT LTD<br>PROAGRO SEED CO LTD<br>SOUTHERN PETROCHEMICALS INDS<br>CORPN LTD<br>HARRISONS VANDERHAVE | BULBS, TUBES, FLOWERING PLANTS<br>GRAPES<br>HIGH YIELDING PLANTLETS<br>LIVE PLANTLETS<br>MEDICINAL PLANTS & HERBS<br>PLANT SAPLINGS & SEEDS<br>PLANT TISSUE CULTURE<br>PLANTLETS OF GRAPES<br>PLANTS PRESERVED IN SUGAR<br>SPROUTING GRADE MONG BEANS<br>TISSUE CULTURE BASED MICROPROPAGATED PLANTS<br>TISSUE CULTURE PLANTLETS<br>TISSUE CULTURE PLANTLETS<br>TISSUE CULTURE PLANTLETS<br>TISSUE CULTURE PLANTS<br>TISSUE CULTURE PLANTS<br>TISSUE CULTURE PLANTS<br>TISSUE CULTURE PLANTS<br>TISSUE CULTURE PLANTS<br>CERTIFIED HIGH YIELDING HYBRID SEEDS<br>HYBRID (VEGETABLE SEEDS) |
| VANDERHAVE HOLDING INT'L<br>DIJKWEISESTRAAT, NETHERLANDS<br>DEKALB PLANT GENETIC, USA<br>HIGH VALUE HORTICULTURE PLC, UK<br>SARMON TECHNOLOGY INC, USA<br>BIOGENETIC TECH, USA<br>CORN STATES HYBRID SER INC, USA<br>RUSTICA SEMENCES, FRANCE   | EID PARRY INDIA LTD<br>WIMCO LTD<br>SARMON PETROCHEMICALS LTD<br>PROAGRO SEED CO LTD<br>PROAGRO SEED CO LTD<br>INTERCORP INDUSTRIES LTD   | HYBRID HIGH YIELDING SEEDS<br>HYBRID SEEDS<br>SEEDS AND OTHER PARTS OF PLANTS<br>SEPARATORS FOR SEEDS<br>HIGH YIELDING HYBRID SEEDS<br>HIGH YIELDING SEEDS<br>HYBRID SEEDS  |

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**NAME OF FOREIGN COMPANY****NAME OF INDIAN COMPANY****ITEM OF MANUFACTURE/ACTIVITY**

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|---|---|--|
| IMPERIAL CHEMICAL INDUSTRIES PLC, UK<br>FFBEP, UK<br>AGRIGENETICS CO, USA<br>HIGH VALUE HORTICULTURE PLC, UK<br>LEO BURNETT WORLDWIDE INC, USA<br>NEW ADVERTISING PTE LTD, SINGAPORE<br>DDB NEEDHAM WORLDWIDE INC, USA  | ICI INDIA LTD<br>NECTAR (INTL) LTD<br>GANGA AGRI SEEDS LTD<br>HIGH VALUE HORTICULTURE INDIA LTD<br>CHAITRA LEO BURNETT PVT LTD<br>KANERAD NEW ADVERTISING PVT LTD<br>MUDRA COMMUNICATIONS LTD<br>& COMM FILM PRDTN<br>MALS DEOGHAR AIRWAYS LTD<br>JET AIRWAYS INDIA PVT LTD<br>WORLD PHONE INDIA (P) LTD<br>HMA DATA SYSTEMS PVT LTD<br>THAPAR CHEMTEX CONSULTANTS LTD<br>OBC MANAGEMENT SERVICES LTD   | HYBRID SEEDS<br>HYBRID SEEDS<br>HYBRID SEEDS<br>SEEDS FOR PLANTS<br>ADVERTISING & MARKETING SERVICES<br>ADVERTISING, MARKETING & COMMUNICATION<br>ADVERTISING, PUBLICITY VIDEO SOFTWARE FILM   |
| MALS, RUSSIA<br>NARESH GOYAL, NRI<br>WORLD PHONE INC, USA<br>DIEBOLD INC, USA<br>CHEMTEX INTERNATIONAL INC, USA<br>FORWARD ENTERPRISING BLDG<br>CONST LTD, UK<br>CSM WORLDWIDE INC, USA<br>AVL GESELLSCHAFT FUR VERBREN MBH,<br>AUSTRIA<br>LUFTHANSA COMMERCIAL HOLDING GMBH,<br>GERMANY<br>ECCO SA, FRANCE | HINDUSTAN THOMPSON ASSOCIATES LTD<br>EICHER GOODEARTH LTD<br><br>RADHA BHATIA<br><br>ECCO INDIA PVT LTD<br>OVERSEAS JOBS<br>UNIT TRUST OF INDIAENGAGE IN ASSET MANAGEMENT BOTH FOR OFFSHORE & DOMESTIC FUND<br>NICCO UCO FINANCIAL SERVICES LTDEQUITY PARTICIPATION TO BRING IN SOPHISTICATED FINANCIAL<br>SWARAAT PHOTO ME PVT LTD<br>CREDIT CAPITAL FINANCE CORPN LTD<br>GEC ALSTHOM GROUP OF COS<br>INFRASTRUCTURE LEASING & FIN<br>SERVICES LTD<br>ALBARAKA FINANCE HOUSE LTD | AIR CARGO SERVICES<br>AIR TAXI OPERATIONS<br>AUDIOTEX SERVICES<br>AUTOMATED TELLER MACHINES<br>CONSULTANCY SERVICES<br>CONSULTANCY SERVICES IN CONTRACT &<br>PUNJAB MGMT<br>CONSULTANCY SERVICES IN CSM & MANAGEMENT<br>CONSULTATION & INFORMATION SERVICES<br><br>DATA PROCESSING ON RESERVATION SYSTEM BY<br>COMPUTER<br>EMPLOYMENT/RECRUITMENT SERVICES FOR |
| ALLIANCE CAPITAL MGMT CORPN, USA<br>INTL FINANCE CORPN, USA<br>PHOTO ME INTL PLC, UK<br>LAZARD BROTHERS & CO LTD, UK<br>GEC ALSTHOM NV, NETHERLANDS<br>ORIX CORPN* (ORIKKUSU K.K.), JAPAN   |   | EXPRESS CARD MACHINE<br>FINANCIAL SERVICES<br>FINANCIAL SERVICES<br>FINANCIAL SERVICES   |
| ALBARAKA INVESTMENT & DEVT CO,<br>SAUDI ARABIA<br>LEO BURNETT WORLDWIDE INC, USA<br>BURSON-MARSTELLER INTL INC, USA<br>PANALPINA WORLD TRANSPORT LTD,<br>SWITZERLAND  | CHAITRA ADVERTISING PVT LTD<br>ROGER PAREIRA COMMUNICATIONS PVT LTD<br>PANALPINA WORLD TRANSPORT (I) LTD  | FINANCIAL SERVICES IN INDIA<br><br>FOR ADVERTISING ACTIVITY<br>FOR MKTG CONSULTANCY BUSINESS PROMOTION ETC<br>FREIGHT FORWARDING & TO UNDERTAKE<br>MOVEMENT ETC.   |

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**NAME OF FOREIGN COMPANY****NAME OF INDIAN COMPANY****ITEM OF MANUFACTURE/ACTIVITY**

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MORGAN GUARANTY INTL FIN CORPN, USA  
PACIFIC AMERICAN BANCORP (NRI)

INDL CREDIT & INV CORPN OF (I) LTD  
NEW ERA FINANCIAL SERVICES LTD

INVESTMENT & MERCHANT BANKING  
INVESTMENT IN MERCHANT BANKING ACTIVITIES  
IN INDIA

TOP TOUR GMBH, GERMANY  
GENESIS INVESTMENT MANAGEMENT LTD,  
UK V/O PROMEXPORT, RUSSIA

SURYA SAMUDRA HOLIDAY RESORT PVT LTD  
IL&FS GENESIS ASSET MANAGEMENT LTD  
INFLUENCE

MANAGEMENT FEES FOR HOLIDAY RESORTS  
MANAGEMENT OF MUTUAL FUND ASSETS  
MANAGERIAL, TECHNICAL AND FINANCIAL  
CONSULTANCY SERVICES ETC  
MARKET RESEARCH & CONSULTANCY

NBL GROUP PLC, UK  
GROUP PVT LTD  
CITIBANK OVERSEAS INVESTMENT CORPN,  
USA  
MORGAN STANLEY GROUP INC, USA  
DETECON, GERMANY  
GENERAL ELECTRIC CO, USA  
MCCANN ERICKSON WORLDWIDE INC, USA

ORACLE RESEARCH & CONSULTANCY  
  
HAVELOCK LEASING & FINANCE LTD

MERCHANT BANKING SERVICES LEASING HIRE  
PURCHASES FINANCE  
MUTUAL FUNDS & FUNDS MGMT IND. OPERATION  
OF CELLULAR MOBILE TELEPHONE SERVICES  
PROVIDING FINANCIAL SERVICES  
PROVIDING INTEGRATED SERVICES OF ADVERTISING  
ETC.

DETECON, GERMANY  
ALTA TELECOM INTL LTD, CANADA  
SCOTTS GROUP OF COMPANIES, NRI

STONE INDIA LTD  
ONIDA ENKAY COMMUNICATIONS  
GREENACRES HOTELS & PROPERTIES LTD

RADIO PAGING SERVICES  
RADIO PAGING SERVICES  
REAL ESTATE DEVT PROJECT & CONST MGMT  
SERVICES

MCKINSEY CO INC, USA  
CARIBBEAN MANAGEMENT BLDG, BAHAMAS  
MONDIAL SERVICES (I) PTE LTD, SINGAPORE  
EQUIFAX INC, USA

MCKINSEY & CO INC  
SANDHU JET CARGO  
MONDIAL EXPORT SERVICES (I) PVT LTD  
FIRST LEASING CO OF INDIA LTD

RENDERING PROFESSION MANAGEMENT SERVICES  
SEA-AIR OPERATIONS, AIR CHARTERS, INTL ETC.  
SERVICES IN ASIA-PACIFIC SUPPLY MARKETS  
SETTING UP A JOINT VENTURE TO PROVIDE  
CREDIT BUREAU SUPPORT

SILICON GRAPHICS PTE LTD, SINGAPORE  
MR R SCHITTER, MR LEEB FRANZ & MRS  
GUDRUN LEEB, GERMANY  
SOROS FUND MANAGEMENT, USA  
FRANCE CINEMA DIFFUSION, FRANCE

SILICON GRAPHICS (WORLD TRADE CORPN)  
IFB SECURITIES LTD  
  
GENERAL INSURANCE CORPN OF INDIA  
RAKESH KHANNA (PROMOTER)

SETTING UP A SUBSIDIARY FOR MKTG. ETC IN INDIA  
TO CARRY ON BUSINESS OF BROKER/INTERMEDIARY  
IN ALL ASPECTS  
TO SET UP AN ASSET MANAGEMENT COMPANY  
TO UNDERTAKE ACTIVITY CONNECTED WITH  
CINEMATOGRAPHY

TELEPHONE INFORMATION SERV PLC, UK  
PVT LTD  
ASIAN FINANCE & INVESTMENT CORPN LTD,  
PHILLIPINES

TELEPHONE INFORMATION SERVICE (I)  
TEXT SERVICE  
20TH CENTURY VENTURE CAPITAL CORPN  
LTD

VALUE ADDED TELEPHONE SERVICES/AUDIO  
  
VENTURE CAPITAL INVESTMENT

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(Contd...)

| NAME OF FOREIGN COMPANY  | NAME OF INDIAN COMPANY  | ITEM OF MANUFACTURE/ACTIVITY  |
|--|---|---|
| INTERNATIONAL FINANCE CORPN, USA<br>OTC INTL LTD, AUSTRALIA<br>BATA (BN) BV, NETHERLANDS   | CREDIT CAPITAL VENTURE FUND (I) LTD<br>INDIAN TELECOM PVT LTD<br>BATA INDIA LTD   | VENTURE CAPITAL INVESTMENT<br>VOICE MAIL SERVICES<br>ALL TYPES OF FOOTWEAR, FOOTWEAR<br>COMPONENTS ETC<br>FOOTWEAR COMPONENTS<br>LEATHER FOOTWEAR UNDER 100% EXPORT<br>ORIENTED SCHEME<br>LEATHER FOOTWEARS<br>LEATHER SHOE UPPERS, SHOES & ITS COMPONENTS  |
| BTP PLC, UK<br>GLOBE SHOE COMPANY LTD, UK  | BTP INDIA LTD<br>DIPANKAR PURAKAAYASTHA   |   |
| BALLY INTL LTD, SWITZERLAND<br>SAMAHA TRADING (UK) LTD, UK<br>NRI SKYLINE LEATHER INDUSTRIES LTD<br>MR ANSAR REHMAN, UK<br>BALLY INTL LTD, SWITZERLAND<br>ANSAR RAHMAN, UK<br>A/S ECCOLET SKO, DENMARK<br>BUREVESTNIK RUSSIAN FEDN., RUSSIA<br>PROJECT CONSULSTS GMBH, GERMANY<br>A/S ECCOLET SKO, DENMARK<br>ITALIAN STYLE IMPORTS & EXPORT SRL,<br>ITALY<br>ITALIAN STYLE IMPORTS & EXPORT SRL,<br>ITALY<br>INTL. SHOE MACHINE CO LTD, UK<br>MR W G BERGER, GERMANY<br>BAHADUR DERRY SINGH, UK | MONTARI INDUSTRIES LTD<br>A SHAFEEQ AHMED<br>LEATHER SHOES<br>SKYLINE LEATHER INDUSTRIES LTD<br>MONTARI LEATHER LTD<br>SKYLINE LEATHER INDUSTRIES LTD<br>CARONA LEATHERS LTD<br>TRYSHOERA INDIA PVT LTD<br>RABIK EXPORTS LTD<br>CARONA LEATHERS LTD<br>MICHAM LEATHER EXPORTS LTD<br><br>AVOL FOOTWEAR LTD<br><br>ASHIANA INTL LTD<br>MARBELLA SHOES LTD<br>SAAB SHOE FACTORY PVT LTD | LEATHER SHOES<br>LEATHER SHOES<br>LEATHER SHOES<br>LEATHER SHOES<br>LEATHER SHOES<br>LEATHER SHOES<br>LEATHER SHOES<br>LEATHER SHOES<br>LEATHER SHOES<br>LEATHER SHOES<br><br>LEATHER SHOES<br><br>LEATHER SHOES<br>LEATHER SHOES, LEATHER SHOES UPPERS CLOSED<br>LEATHER SHOES, LEATHER UPPERS & LEATHER<br>SANDALS<br>LEATHER SHOES, SHOE UPPERS<br>MEN'S CASUAL SHOES<br>PARTS OF FOOTWEAR, FOOTWEAR SITFFENER<br>MATERIALS<br>PLASTIC LASTS FOR SHOES<br>SHOE SOLES ETC<br>SHOES AND SHOE UPPERS INCLUDING SPORTS<br>SHOES<br>UNIT SOLE LEATHER & UNIT SOLE PVC<br>HANDLING TOUR ARRANGEMENTS FOR FOREIGN |
| GUALTIERO PANTANI, ITALY<br>NRI, NRI<br>LEE CHEMICALS LTD, UK  | GP ASIA PVT LTD<br>ARISTO ATHLETIC WEAR PVT LTD<br>FLEXSOLE RAMAN LTD   |   |
| BALLY INTL LTD, SWITZERLAND<br>SHUNN RUBBER CO LTD, JAPAN<br>CHENFENG MACHINERY & ENTERPRISES<br>CO LTD, SOUTH KOREA<br>GELLI & PELLEGRINI SRL, ITALY<br>HOKE TRAVEL & DEVELP, JAPAN   | TOSCANA LASTS LTD<br>FOREMOST RUBBER LTD<br>SARARE AUTOMOULDERS LTD<br><br>G&P SOLES INDIA LTD<br>ASAHI TRAVEL SERVICES PVT LTD   |   |

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**NAME OF FOREIGN COMPANY****NAME OF INDIAN COMPANY****ITEM OF MANUFACTURE/ACTIVITY**

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| NICHI IN CENTER CO LTD, JAPAN                    | DEEPAM NICHI-IN PVT LTD              | TRADING COMPANY |
| CAMARCO LTD, MALTA                               | OBEROI CAMARCO PVT LTD               | TRADING COMPANY |
| GEORGE DEMWELL FORWARD CORP LTD, UK              | SUPER INDEX APPARELS PVT LTD         | TRADING COMPANY |
| ESTER, RUSSIA                                    | TRI CONTINENTAL BUSINESS DEVELOPMENT | TRADING COMPANY |
| MEHMET IKSEL FRANCE, FRANCE                      | PATINA EXPORTS PVT LTD               | TRADING COMPANY |
| NAZAR KAMAL QADIR, UAE                           | NAZAR KAMAL QADIR                    | TRADING COMPANY |
| ABDUL FATAH MARFIE, KUWAIT                       | ORIENTAL INTERNATIONAL CO LTD        | TRADING COMPANY |
| AVIAZAPCHASTU, RUSSIA                            | AVIAFORT ENTERPRISES PVT LTD         | TRADING COMPANY |
| L & W INT'L NV, NETHERLANDS                      | SEAFIN (INDIA) PVT LTD               | TRADING COMPANY |
| FOREIGN NATIONALS, KUWAIT                        | BAHTCO ESSEM TRADING CO              | TRADING COMPANY |
| ICT INTERTRADE CARPET & TEX,<br>SWITZERLAND      | ICT WISSENBACH (I) PVT LTD           | TRADING COMPANY |
| SOJZPLODOIMPORT, RUSSIA                          | PLODIMEX AGENCIES (I) PVT LTD        | TRADING COMPANY |
| MELHDUNARUDNAYA KNIGA, RUSSIA                    | CALMOS EXPORTS PVT LTD               | TRADING COMPANY |
| JEAN CHARLES CHAPPUES, FRANCE                    | MUGHAL ART PALACE PVT LTD            | TRADING COMPANY |
| GOKO CAMERA CO LTD, JAPAN                        | GOKO CAMERA (I) PVT LTD              | TRADING COMPANY |
| CREDOBANK, RUSSIA                                | RUSIND INTERNATIONAL PVT LTD         | TRADING COMPANY |
| SABIC MARKETING EUROPE LTD, UK                   | KAMAL TANDON                         | TRADING COMPANY |
| ERHARD KOLLAR, GERMANY                           | SINNUE BOSCO NORONHA                 | TRADING COMPANY |
| KIEV PRODN ENTERPRISES, UKRAINE                  | BREMCO OVERSEAS PVT LTD              | TRADING COMPANY |
| UNITED INVESTMENTS LTD, VIRGIN ISLAND<br>PVT LTD | NUCLEUS ASSETS & CAPITAL MANAGEMENT  | TRADING COMPANY |
| SINTOFARM, ITALY                                 | SINTOFARM INDIA PVT LTD              | TRADING COMPANY |
| MINERAL CHEMIE AG, SWITZERLAND                   | MINERAL CHEMIE A G                   | TRADING COMPANY |
| M H SHIN, SOUTH KOREA                            | SHIN M H                             | TRADING COMPANY |
| V/O SOYUZCHIMEEXPORT & GAMMACHIM,<br>RUSSIA      | INDIA GAMMACHIM LTD                  | TRADING COMPANY |
| JEAN FRANCIS, SWITZERLAND                        | WHALE APPAREL EXPORTS PVT LTD        | TRADING COMPANY |
| DEWBURY CO LTD, GERMANY                          | CHEMICAL CATALYSTS (INDIA) PVT LTD   | TRADING COMPANY |
| RDS ASSOCIATES, UK                               | RDS EXPORTS (INDIA) PVT LTD          | TRADING COMPANY |
| PLODIMEX, HONG KONG                              | PLODIMEX COMMODITIES (I) LTD         | TRADING COMPANY |
| WIBER SA, URUGUAY                                | VINYL CABLE INDUSTRIES PVT LTD       | TRADING COMPANY |
| EC RAHIM, SOUTH KOREA                            | AZMATHULLA HASHMI                    | TRADING COMPANY |
| CONTINENTAL TOBACCO SA, USA                      | UNISCO TRADING PVT LTD               | TRADING COMPANY |
| APPLE BEE LTD, HONG KONG                         | ATLANTIS CORPORATION PVT LTD         | TRADING COMPANY |

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**NAME OF FOREIGN COMPANY****NAME OF INDIAN COMPANY****ITEM OF MANUFACTURE/ACTIVITY**

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|  |                             |   |
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| MINU SPA, ITALY                                      | SE MARKETING PVT LTD*       | TRADING COMPANY                                     |
| V A ROSLEGIMPEX, RUSSIA                              | SANJAY KUMAR MODI           | TRADING COMPANY                                     |
| LEGRROEXPORTS RUSSIA, MOSCOW                         | LILEX INDL PVT LTD          | TRADING COMPANY                                     |
| WALID MOHD. A. ALBIN HASSAN, SAUDI ARABIA (PROMOTER) | WALID MOHD. A ALBIN HASSAN  | TRADING COMPANY                                     |
| JOHN PENTELIAS & APOSTOLUS, UK                       | MESCOM CORP PVT LTD         | TRADING COMPANY                                     |
| M BREITER, USA                                       | PRISMA INTERNATIONAL        | TRADING COMPANY                                     |
| MEZHDUNARODNAYA, RUSSIA                              | MERAMEX PVT LTD             | TRADING COMPANY                                     |
| PT PRIMA COEXINDO, INDONESIA                         | PT PRIMA COMEXINDO*         | TRADING COMPANY                                     |
| TECHNOPROMIMPORT, RUSSIA                             | TEPRIM OVERSEAS PVT LTD     | TRADING COMPANY                                     |
| ANDRE CIE, SWITZERLAND                               | ANDAGRO SERVICES PVT LTD    | TRADING COMPANY                                     |
| BURGESS MANNING INC, USA                             | BURGESS MANNING INDIA P LTD | TRADING IN INDL EQUIPMENTS SUCH AS GAS              |
| NANZ INDIA KG, GERMANY                               | NANZ FOOD PRODUCTS LTD      | WHOLESALE TRADE RETAIL TRADE<br>STORAGE/WAREHOUSING |

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(Contd...)



TABLE 9

SELECT LIST OF TECHNICAL COLLABORATIONS BETWEEN FOREIGN COMPANIES AND THEIR INDIAN AFFILIATES

| FOREIGN COMPANY                             | INDIAN AFFILIATE/SUBSIDIARY   | ITEM OF MANUFACTURE/ACTIVITY                                     |
|---|-------------------------------|--|
| ABB DRIVES, SWITZERLAND                     | ASEA BROWN BOVERI LTD         | RECTIFIERS   |
| ABB ENVIRONMENTAL SERVICES INC, USA         | FLAKT INDIA LTD               | NITROGENOUS FERTILISERS  |
| ABB ENVIRONMENTAL SERVICES INC, USA         | FLAKT INDIA LTD               | ENVIRONMENT SERVICES   |
| ABB INFOCOM LTD, SWITZERLAND                | ASEA BROWN BOVERI LTD         | ELECTRICAL APPARATUS   |
| ABB POWER PLANTS, CROATIA                   | ASEA BROWN BOVERI LTD         | STEAM TURBINES   |
| ABB PROCESS AUTOMATION LTD,<br>SWITZERLAND  | ASEA BROWN BOVERI LTD         | DATA COMP EQUIPMENTS   |
| ABB SACE SPA, ITALY                         | ASEA BROWN BOVERI LTD         | SWITCHBOARD UNIVERS  |
| ABB STROMBERG POWER OY VASSE, FINLAND       | ASEA BROWN BOVERI LTD         | AUTOMATIC DATA PROCESSING MACHINE                                |
| ABB TURBO SYSTEMS LTD, SWITZERLAND          | ASEA BROWN BOVERI LTD         | VTC 304 & VTC 214 MODEL TURBOCHARGERS                            |
| ALFA LAVAL AB, SWEDEN                       | ALFA LAVAL (INDIA) LTD        | FERMENTATION PILOT PLANTS SYSTEM &<br>CONTINUOUS MEDIA STERLIZER |
| ALFA LAVAL SEPARATION AB, SWEDEN            | ALFA LAVAL (INDIA) LTD        | ENGG KNOW-HOW FOR MFR OF FILTRATION<br>EQUIPMENT (DE CANTER)     |
| ALFA LAVAL THERMAL AB, SWEDEN               | ALFA LAVAL (INDIA) LTD        | SPIRAL HEAT EXCHANGERS   |
| ALLEN BRADLEY COMPANY, USA                  | ALLEN BRADLEY INDIA LTD       | INTEGRATED CONTROL AUTOMATION &<br>MONITORING SYSTEM             |
| AOIP AUTOMATISMAC, FRANCE                   | AOYP ENGG CO PVT LTD          | CHEMICAL RESISTANCE SOFT STARTING CELLS                          |
| AQUA FARMING DEV FOUNDATION,<br>PHILIPPINES | RANK AQUA ESTATES LTD         | CRUSTACEANS  |
| AVL MEDICAL INSTRUMENT AG, SWITZERLAND      | AVL (INDIA) PVT LTD           | BLOOD, GAS ANALYSERS   |
| BAKER OIL TOOLS, USA                        | BAKER OIL TOOLS INDIA PVT LTD | HYDRAULIC PACKERS ETC  |
| BAYER AG, GERMANY                           | BAYER (INDIA) LTD             | CHEMICALS PREVENTOL WB   |
| BMD GARANT E TECHNIK GMBH, GERMANY          | BMD INDUSTRIES LTD            | FILTERING OR PURIFYING MACHINES                                  |
| CASTROL LTD, UK                             | CASTROL INDIA LTD             | LUBRICATING OIL  |
| CIBA GEIGY LTD, SWITZERLAND                 | CIBATUL LTD                   | CONSULTANCY SERVICES FOR SETTING UP OF<br>WASTE INCINERATION SY  |
| CIBA GEIGY LTD, SWITZERLAND                 | HINDUSTAN CIBA GEIGY LTD      | MONOCROTOPHOS  |

(Contd...)

| FOREIGN COMPANY                      | INDIAN AFFILIATE/SUBSIDIARY                | ITEM OF MANUFACTURE/ACTIVITY                             |
|--------------------------------------|--|--|
| CIBA GEIGY LTD, SWITZERLAND          | HINDUSTAN CIBA GEIGY LTD                   | SYNTHETIC ORGANIC PRODUCTS                               |
| CITICORP, USA                        | CITICORP INFORMATION TECHNOLOGY<br>IND LTD | COMPUTER SOFTWARE ETC                                    |
| COLGATE PALMOLIVE CO, USA            | COLGATE PALMOLIVE (I) LTD                  | TOILET SOAPS   |
| CONCAST STANDARD AG, SWITZERLAND     | CONCAST (INDIA) LTD                        | CONTINUOUS CASTING MACHINES FOR STEEL<br>INDUSTRY        |
| CONCAST STANDARD AG, SWITZERLAND     | CONCAST (INDIA) LTD                        | CONTINUOUS CASTING MACHINES FOR STEEL<br>INDUSTRY        |
| DAIKIN MANUFACTURING CO LTD, JAPAN   | CEEKAY DAIKIN LTD                          | CLUTCH DISK ASSEMBLY                                     |
| DIGITAL EQUIPMENTS B V, NETHERLANDS  | DIGITAL EQUIPMENT (INDIA) LTD              | DATA & MACHINES  |
| DIGITAL EQUIPMENTS B V, NETHERLANDS  | DIGITAL EQUIPMENT (INDIA) LTD              | 300 SERIES P.C.s   |
| DIGITAL EQUIPMENTS B V, NETHERLANDS  | DIGITAL EQUIPMENT (INDIA) LTD              | DATA P. MACHINES MODEL 2533                              |
| DIGITAL EQUIPMENTS B V, NETHERLANDS  | DIGITAL EQUIPMENT (INDIA) LTD              | DATA PRO. MACHINES DEC SYSTEMS 5000 MODEL                |
| DIGITAL EQUIPMENTS B V, NETHERLANDS  | DIGITAL EQUIPMENT (INDIA) LTD              | DATA PRO. MACHINES DEC PC 400 SERIES                     |
| DIGITAL EQUIPMENTS B V, NETHERLANDS  | DIGITAL EQUIPMENT (INDIA) LTD              | DATA PRO. MACHINES VAX 4000 SERIES                       |
| DIGITAL EQUIPMENTS HOLDINGS, DENMARK | DIGITAL EQUIPMENT (INDIA) LTD              | COMPUTER SOFTWARE  |
| DORR OLIVER INC, USA                 | HINDUSTAN DORR OLIVER LTD                  | VACUM FILTERS  |
| DORR OLIVER INC, USA                 | HINDUSTAN DORR OLIVER LTD                  | CONSULTANCY SERVICES                                     |
| DUNLOP LTD, UK                       | DUNLOP INDIA LTD                           | AIRCRAFT CROSSPLY TYRES & TUBES                          |
| E MERCK, GERMANY                     | E MERCK (INDIA) LTD                        | DRUGS/CHEMICALS  |
| ERHART & LEIMER, GERMANY             | ERHARDT + LEIMER (I) LTD                   | WEB FEEDING GRIDERS                                      |
| FISKARS OY AB, FINLAND               | FISKARS INDIA LTD                          | SCISSORS   |
| FLAKT AB, SWEDEN                     | FLAKT INDIA LTD                            | PAINT FINISHING SYSTEM & ASH, GRAIN<br>HANDLING SYSTEM   |
| FLAKT AB, SWEDEN                     | FLAKT INDIA LTD                            | CLEAN ROOM SYSTEMS                                       |
| FLOGATES LTD, UK                     | INDO FLOGATES LTD                          | FANS, BLOWERS  |
| FORSEBERGES INC, USA                 | FORSEBERG AGRITECH (P) LTD                 | FURNACE WALL MECHANISM                                   |
| FRANZ PLASSER, AUSTRIA               | PLASSER (INDIA) PVT LTD                    | SCREEN CLEANERS  |
| FRANZ PLASSER, AUSTRIA               | PLASSER (INDIA) PVT LTD                    | TAMPING MACHINE  |
| FREYSSINET INTL CO, FRANCE           | FREYSSINET PRESTRESSED CONCRETE CO<br>LTD  | DYNAMIC TRACK STABILISER<br>ANCHORAGES & HYDRAULIC JACKS |

(Contd...)

| FOREIGN COMPANY                            | INDIAN AFFILIATE/SUBSIDIARY              | ITEM OF MANUFACTURE/ACTIVITY                    |
|--|--|---|
| FULLER INTERNATIONAL INC, USA              | FULLER KCP LTD                           | INDUSTRIAL MACHINERY FOR CEMENT PLANT ETC.      |
| G DUSTERLOH, GMBH, GERMANY                 | IED DUSTERLOH PVT LTD                    | AIR STARTERS                                    |
| GEC ALSTHOM LARGE MACHINE LTD, UK          | GENERAL ELECTRIC CO OF INDIA LTD         | ELECTRIC MOTORS ETC                             |
| GEC AVERY INTL LTD, UK                     | AVERY INDIA LTD                          | WEIGHING MACHINES LOAD CELLS                    |
| GOODYEAR TIRE & RUBBER CO, USA             | GOODYEAR INDIA LTD                       | AUTOMOBILE TYRES, AUTOMOBILE TUBES              |
| HEWLETT PACKARD, USA                       | HCL HEWLETT PACKARD LTD                  | PA RISK BASED WORKSTATION                       |
| HOGANAS AB, SWEDEN                         | HOGANAS INDIA LTD                        | IRON POWDER                                     |
| HONDA MOTOR CO, JAPAN                      | SHRIRAM HONDA POWER EQUIPMENT LTD        | ELECTRIC GEN SETS BASED ON IC ENGINES & PUMPS   |
| HONDA MOTOR CO, JAPAN                      | HERO HONDA MOTORS LTD                    | MOTORISED TWO WHEELERS                          |
| HUTTENES ALBERTUS CHEMISCHE WERKE, GERMANY | GARGI HUTTENS-ALBERTUS PVT LTD           | COATINGS CR & MOULDS                            |
| HYDROMECHANIC TRAN SPA, ITALY              | HYDROMECHANIC TRANSMISSION INDIA PVT LTD | FIXED MOTORS PUMPS                              |
| ICI CHEMICALS & POLYMERS LTD, UK           | ICI INDIA LTD                            | CATALYST PLANT                                  |
| IMPERIAL CHEMICAL INDUSTRIES PLC, UK       | ICI INDIA LTD                            | PAINTS, ENAMELS                                 |
| IMPERIAL CHEMICAL INDUSTRIES PLC, UK       | ICI INDIA LTD                            | CHEMICALS FOR OILFIELD INDUSTRY                 |
| IMPERIAL CHEMICAL INDUSTRIES PLC, UK       | ICI INDIA LTD                            | HYBRID SEEDS                                    |
| INDUCTOHEAT INC, USA                       | INDUCTOTHERM INDIA LTD                   | INDUCTION HEATING EQUIPMENTS INDUCTION FURNACES |
| INGERSOLL RAND, USA                        | INGERSOLL RAND INDIA LTD                 | AIR COMPRESSORS                                 |
| IOL INTERNATIONAL INC, USA                 | QUALITY IOL INTERNATIONAL PVT LTD        | INTRAOCULAR LENSES                              |
| ITW FLUID PRODUCTS, USA                    | ITW SIGNODE INDIA LTD                    | CORROSION CONTROL PRODUCTS                      |
| ITW IRANTANE SYSTEMS, USA                  | ITW SIGNODE INDIA LTD                    | POLYUTHENE CAST PARTS                           |
| ITW MIMA, USA                              | ITW SIGNODE INDIA LTD                    | STRETCH WRAPPING & PACKAGING SYSTEMS            |
| ITW SWITCHES, USA                          | ITW SIGNODE INDIA LTD                    | SWITCHES  |
| KING TAUDEVIN & GERGSON LTD, UK            | KTG (INDIA) LTD                          | GLASS WORKS & GLASS MELTING FURNACE EQPT        |
| KOREA LUBE CO, SOUTH KOREA                 | ANABOND KOREA LUBE PVT LTD               | CUTTING FLUIDS ABTI SPATTER                     |
| LAMP PRESS CAPS LTD, UK                    | METAL LAMP CAPS (INDIA) LTD              | LAMP CAPS                                       |
| LUCAS AUTOMOTIVE LTD, UK                   | LUCAS TVS LTD                            | AUTO ELECTRICAL EQPT. STARTERS & ALTERNATORS    |
| LUCAS INDUSTRIES PLC, UK                   | LUCAS TVS LTD                            | ALTERNATOR                                      |
| LUDWIG, KROHNE GMBH & CO KG, GERMANY       | KROHNE MARSHAL PVT LTD                   | SIGNAL CONVERTERS                               |
| LURGI GMBH, GERMANY                        | LURGI (INDIA) CO PVT LTD                 | TRANSFER OF COAL BASED SPONGE IRON MAKING       |

(Contd...)

| FOREIGN COMPANY   | INDIAN AFFILIATE/SUBSIDIARY                   | ITEM OF MANUFACTURE/ACTIVITY                                 |
|---|---|--|
| MAHARISHI HEAVEN OF EARTH DEV CORPN<br>B V, NETHERLANDS | MAHARISHI HEAVEN ON EARTH DEVT<br>CORPN LTD   | PLANT OF SINGLE CELL PROTEIN FOR HUMAN<br>NUTRITION          |
| MAKINO CHEMICAL CO LTD, JAPAN                           | MAKINO AUTO INDUSTRIES                        | AUTO PARTS   |
| MASONEILAN-DRESSER DIVISION, INDS. INC.<br>USA          | MASONEILAN (INDIA) LTD                        | CONTROL VALVES, ACCESSORIES & LEVEL<br>INSTRUMENTS           |
| NATIONAL STANDARD CO, UK                                | NATIONAL STANDARD DUNCAN LTD                  | SLIP CONE WIRE DRAWING MACHINES                              |
| NESTLE LTD, SWITZERLAND                                 | NESTLE INDIA LTD                              | DAIRY WHITENER   |
| NESTLE LTD, SWITZERLAND                                 | NESTLE INDIA LTD                              | INFANT WEANING FOODS   |
| NISSAN MOTOR CO LTD, JAPAN                              | MAHINDRA NISSAN ALLWYN LTD                    | LIGHT COMMERCIAL VEHICLES                                    |
| NISSIN TECH (SA) (P) LTD, SINGAPORE                     | INDO NISSIN FOODS LTD                         | READY TO EAT FOOD  |
| NORTHGATE RESEARCH INC, UK                              | NORTHGATE LITHOTRINTERS LTD                   | SCIENCE & ELEC EQUIPMENT                                     |
| NV PHILIPS, NETHERLANDS                                 | PEICO ELECTRONICS & ELECTRICALS LTD           | FLUORESCENT LAMP   |
| NV PHILIPS GLOEILAMPENFABRIEKEN,<br>NETHERLANDS         | PEICO ELECTRONICS & ELECTRICALS LTD           | ELECTRICAL TRANSFORMER                                       |
| PEBCO INC, USA  | PEBCO (INDIA) LTD                             | DUSTLESS LOADING SPOOTS                                      |
| PFIZER INC, USA   | PFIZER LTD                                    | TERRAMYCIN FOR VETERINERY                                    |
| PROCTER & GAMBLE CO, USA                                | PROCTER & GAMBLE INDIA LTD                    | SYNTHETIC DETERGENT  |
| ROTORK CONTROLS LTD, UK                                 | BEACON ROTORK CONTROLS LTD                    | 2100 VALVE ACTUATOR ETC                                      |
| SANYO ELECTRIC CO LTD, JAPAN                            | BPL SANYO TECHNOLOGIES                        | RADIO CASSETTE RECORDER                                      |
| SANYO ELECTRIC CO LTD, JAPAN                            | BPL SANYO UTILITIES & APPLIANCES LTD          | WASHING MACHINES   |
| SANYO ELECTRIC CO LTD & SANYO<br>TDG CO, JAPAN          | BPL SANYO LTD                                 | VIDEO CASSETTE RECORDERS/PLAYERS VTD<br>MACHANISM            |
| SAPPO ENSIO RALLI & JARNO SAMULI RALLI,<br>FINLAND      | RALLI EVAPORATION SERVICES PVT LTD            | WATER EVAPORATION SYSTEM, HEAT & MASS<br>TRANSFER SYSTEM     |
| SARMON TECHNOLOGY INC, USA                              | SARMON PETROCHEMICALS LTD                     | SEPARATORS FOR SEEDS   |
| SEMI-CONDUCTOR PACKAGING MATERIALS<br>LTD, USA          | SEMICONDUCTOR PACKING MATERIALS CO<br>(I) LTD | SEMI-CONDUCTOR PACKAGING MATERIALS ETC.<br>UNDER 100% EXPORT |
| SIEMENS AG, GERMANY                                     | SIEMENS LTD                                   | OPTICAL FIBRE CABLES   |
| SIEMENS AG, GERMANY                                     | SIEMENS LTD                                   | DIGITAL RADIO EQUIPMENTS                                     |
| SIEMENS AG, GERMANY                                     | SIEMENS LTD                                   | DIGITAL ELECTRONIC SWITCHING SYSTEM                          |
| SIGNODE CORPN, USA                                      | ITW SIGNODE INDIA LTD                         | PACKING WRAPPING MACHINES                                    |
| SULZER ESCHER WYSS LTD, SWITZERLAND                     | SULZER INDIA LTD                              | CENTRIFUGES  |

(Contd...)

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**FOREIGN COMPANY****INDIAN AFFILIATE/SUBSIDIARY****ITEM OF MANUFACTURE/ACTIVITY**

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SULZER ESCHER WYSS LTD, SWITZERLAND  
SULZER ESCHER WYSS LTD, SWITZERLAND  
SUMITOMO WIRING SYSTEMS LTD, JAPAN  
SUNG-WON ELECTRIC CO, SOUTH KOREA  
SUZUKI MOTOR CORPN, JAPAN  
SUZUKI MOTOR CORPN, JAPAN  
SWISS CHO CO TEC CONSULTING CORPN,  
SWITZERLAND  
VERTEX INDUSTRIES INC, USA  
WENDT GMBH, GERMANY

SULZER INDIA LTD  
SULZER INDIA LTD  
MOTHERSON SUMI SYSTEMS LTD  
YOGI SUNG-WON (I) LTD  
MARUTI UDYOG LTD  
TVS SUZUKI LTD  
SWISS HEALTH FOODS PVT LTD  
  
VERTEX BARCODE SYSTEMS INDIA LTD  
WENDT (INDIA) LTD

AUTOMATIC CENTRIFUGE  
CONTINUOUS AUTOMATIC CENTRIFUGES  
AVSS CABLES AVS CABLES AV CABLE  
LAMINATED INSULATION FILMS  
MOTOR CARS  
MOTOR CYCLES AX 100 & ITS DERIVATIVES  
CHOCOLATE, TOFFEE ETC.  
  
AUTOMATIC DATA PROCESSING MACHINES  
RESIN BONDED DIAMOND/CBN WHEELS &  
TOOLS, ETC.

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**TABLE 10**  
**SELECT LIST OF COLLABORATIONS WHERE THE FOREIGN COMPANY CHARGES FOR TECHNOLOGY**  
**EVEN THOUGH IT HAS A SUBSTANTIAL FINANCIAL STAKE IN THE INDIAN COMPANY**

| FOREIGN COMPANY             | INDIAN AFFILIATE                              | ITEM OF MANUFACTURE/ACTIVITY                                     |
|-----------------------------|---|--|
| ABB SACE SPA                | ASEA BROWN BOVERI LTD                         | SWITCHBOARD UNIVERS  |
| ABB TURBO SYSTEMS LTD       | ASEA BROWN BOVERI LTD                         | VTC 304 & VTC 214 MODEL TURBOCHARGERS                            |
| ALFA LAVAL AB               | ALFA LAVAL (INDIA) LTD                        | FERMENTATION PILOT PLANTS SYSTEM &<br>CONTINUOUS MEDIA STERLIZER |
| ALFA LAVAL SEPARATION AB    | ALFA LAVAL (INDIA) LTD                        | ENGG KNOW-HOW FOR MFR OF FILTRATION<br>EQUIPMENT (DE CANTER)     |
| ALFA LAVAL THERMAL AB       | ALFA LAVAL (INDIA) LTD                        | SPIRAL HEAT EXCHANGERS   |
| AT&T INTL INC               | AT&T SWITCHING SYSTEMS (I) PVT LTD            | ELECTRIC SWITCHING EQUIPMENTS                                    |
| BTP PLC                     | BTP INDIA LTD                                 | LEATHER CHEMICALS  |
| CADBURY SCHWEPPE            | CADBURY INDIA LTD                             | CHOCOLATES, CHOCOLATE CONFECTIONERY OTHER<br>THAN SWEETMEATS     |
| CARL SCHENCK AG             | SCHENCK JENSON & NICHOLSON SENSORS<br>PVT LTD | LOAD CELL (USED IN ELECTRONIC MEASURING<br>INSTRUMENTS)          |
| CEGELEC                     | CEGELEC INDIA LTD                             | DIGITAL AUTOMATIC DPM/CS   |
| CIBA GEIGY LTD              | HINDUSTAN CIBA GEIGY LTD                      | SYNTHETIC ORGANIC PRODUCTS                                       |
| DIGITAL EQUIPMENTS B V      | DIGITAL EQUIPMENT (INDIA) LTD                 | 300 SERIES P.C.s   |
| DIGITAL EQUIPMENTS B V      | DIGITAL EQUIPMENT (INDIA) LTD                 | DATA P. MACHINES MODEL 2533                                      |
| DIGITAL EQUIPMENTS B V      | DIGITAL EQUIPMENT (INDIA) LTD                 | DATA PRO. MACHINES DEC SYSTEMS 5000 MODEL                        |
| DIGITAL EQUIPMENTS B V      | DIGITAL EQUIPMENT (INDIA) LTD                 | DATA PRO. MACHINES DEC PC 400 SERIES                             |
| DIGITAL EQUIPMENTS B V      | DIGITAL EQUIPMENT (INDIA) LTD                 | DATA PRO. MACHINES VAX 4000 SERIES                               |
| DIGITAL EQUIPMENTS B V      | DIGITAL EQUIPMENT (INDIA) LTD                 | DATA & MACHINES  |
| DIGITAL EQUIPMENTS HOLDINGS | DIGITAL EQUIPMENT (INDIA) LTD                 | COMPUTER SOFTWARE  |
| FLAKT AB                    | FLAKT INDIA LTD                               | FANS, BLOWERS  |
| FLAKT AB                    | FLAKT INDIA LTD                               | CLEAN ROOM SYSTEMS   |
| INGERSOLL RAND              | INGERSOLL RAND INDIA LTD                      | AIR COMPRESSORS  |
| KELLOGG CO                  | KELLOGG INDIA LTD                             | FOOD PROCESSING  |
| LURGI GMBH                  | LURGI (INDIA) CO PVT LTD                      | TRANSFER OF COAL BASED SPONGE IRON MAKING                        |
| MOTOROLA INTL DEV CORPN     | MOTOROLA SINGAPORE PTE LTD                    | DATA COMMUNICATION & NET WORKING<br>PRODUCTS & SOFTWARE          |
| NV PHILIPS                  | PEICO ELECTRONICS & ELECTRICALS LTD           | FLUORESCENT LAMP   |
| PFIZER INC                  | PFIZER LTD                                    | TERRAMYCIN FOR VETERINERY  |
| PROCTER & GAMBLE CO         | PROCTER & GAMBLE INDIA LTD                    | SYNTHETIC DETERGENT  |
| XYTEL CORPN                 | XYTEL INDIA PVT LTD                           | MACHINERY PLANT LAB EQUIPMENT                                    |

**Table 11**

**Distribution of Approved Technical Collaborations among the Large Industrial Houses**

| Name of the Industrial House | Number of Technical Collaborations |
|------------------------------|------------------------------------|
| Tata                         | 62                                 |
| Birla                        | 45                                 |
| Larsen & Toubro              | 22                                 |
| Reliance                     | 21                                 |
| Kirloskar                    | 14                                 |
| Ranbaxy                      | 14                                 |
| Goenka                       | 12                                 |
| Modi                         | 12                                 |
| Escorts                      | 10                                 |
| Chidambaram                  | 10                                 |
| Mafatlal                     | 10                                 |
| Shri Ram                     | 10                                 |
| Thapar                       | 10                                 |

Source: As in Table -1.

**Some Instances of Unfavourable Terms of Collaborations with NRIs**

It may not be out of place to report certain practices of companies which issued shares during the past two years. These, we understand, have serious implications for investor protection as also for the proper functioning of the export promotion schemes.<sup>47</sup>

The first in point is that of the Patel's Widecom (India) Ltd. The Patel's Widecom was promoted by L.S. Tuli, President of Widecom R&D Inc. (WRD), Canada along with Dr. Madhu Patel. The 36"-wide format facsimile (widefax) is claimed to have been developed by the Canadian company. In the proposed project WRD will contribute 35 per cent of the equity to be promoted in India. Patel's Widecom, the Indian affiliate, invited equity participation through a public issue in September 1993. The following extract taken from a business magazine, published at the time of the public issue, is self-explanatory.

As per the agreement the Indian company would be

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<sup>47</sup>. The Institute has also been working on a few other aspects of investor protection such as the operation and relevance of the concept of 'Companies Under Same Management' as it stands now. We hope these studies would be useful in policy formulation and framing of disclosure requirements in this respect.

... selling 50% of its production to WRD at a price of US\$ 2,500 per piece, which is lower than the current international price of US\$ 14,000 - US\$ 17,000 per piece. Further, the retailers have a 40-50% margin. So, WRD would be selling the US\$ 2,500 product for around US\$ 7,000 and earning tidy profits for itself. Of the total amount of Rs 5.82 cr set aside for plant and machinery, the import content of Rs 4.32 cr will be supplied by WRD. Technical know-how fee of Rs 50 lakhs will be payable to WRD.

The balance production will be sold to international dealers/retailers at US\$ 6,000 - US\$ 7,000 per piece who will retail it at US \$ 14,000-17,000 per piece. Apart from the 50% buy-back, 25% of the production is to be sold through Minco Electronics, Singapore and Gods Gift Aromatics, Hongkong, though it has no firm tie-up. ...

WRD's financial performance has been on the mark. On sales of Canadian \$ 70 lac (about Rs 16.45 cr), it has earned a net profit of Canadian \$ 20.55 lac (approx Rs. 4.83 cr) on a capital of Canadian \$ 10.5 lac.<sup>48</sup>

Further, the company's main plant and machinery was to be imported from WRD under Export Promotion Capital Goods Scheme (EPCGS) by paying custom duty at concessional rate of 15%. WRD would also be entitled to receive royalties at the rate of 5% on domestic sales and 8% net of taxes on export sales for a period of 7 years. This means that out of the US\$2,500 received by the Indian company for each machine its exports to WRD because of the buy-back arrangement described above WRD would get back as much as US \$200.

Another relevant case is that of Trina Quebec Gears Ltd (TQG). The company promoted among others by (i) one Khera family (of Delhi), (ii) Trina Engg. Co. Pvt Ltd. (promoted by the Kheras) and (iii) Quebec Gear Works Ltd. Canada (of which one Shri Daljit Singh was the sole shareholder). TQG came to the public in September 1993. The entire imported plant and machinery to be acquired by the company was the one in use with the Canadian company probably since 1972.<sup>49</sup> In the 'Risk Factors' the company stated :

The plant and machinery to be shifted from Quebec Gear Works Ltd., Canada, is second hand. However, as per Canadian Chartered Engineers certificate all machineries are between 5-7 years old and have residual life expectancy of not less than 15-20 years.

The imported machinery valued at Rs. 10.29 crores accounts for 70 per cent of the total project cost. The gross sales of the Canadian company in 1992 were placed at Rs. 8.00 crores. During the earlier four years too the gross sales were of the same order. A striking part of the arrangement is that :

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<sup>48.</sup> See: "Patel's Widecom (India)" in Capital Market, Sep.13-26, 1993, p. 54. It may be noted that collaboration agreements are open for public inspection at the companies' registered offices at the time of the public issue.

<sup>49.</sup> It was reported that the Canadian company was "promoted by Shri Daljeet Singh in 1972 for manufacturing high precision industrial gears." (See the Prospectus of Trina Quebec Gears Ltd).



The valuation of plant and machinery has been done by the promoters themselves viz Khera family and Quebec Gear Works Ltd., Canada of which M. Daljeet Singh, chairman of the Company is the sole shareholder keeping in mind the condition and residual life of the machinery to be imported and the high cost of new machines.

... Valuation of plant and machinery has been done by the promoters themselves and not by any approved valuer.

In addition to the purchase of plant and machinery, the Indian company would be paying Canadian \$ 5,00,000 (approximately Rs. 1.00 crore) as lumpsum fee and 'Engineers and technicians fees upto a maximum of US\$ 1000 per man day for each technician while away from home base'. Incidentally, the foreign collaborator/promoter will be allotted shares worth Rs. 1.00 crore against the supply of plant and machinery. The project is to be an 100% EOU. The Canadian collaborator has agreed to buy back 75 per cent of the production. Orders worth Canadian \$ 5,00,000 were already reported to have been in hand.

The third case: company promoted by NRIs. Petron International Inc., USA (Petron) was the main promoter of International Catalysts Ltd. (ICL). The ICL came out with a public issue in February 1993. Petron, the foreign collaborator and the main promoter, was to take up Rs. 1.90 crores worth of equity in ICL. From the prospectus of the ICL it is clear that Petron is wholly owned by Y.N. Sarin, who is also the Chairman of ICL. ICL had entered into an agreement with National Chemical Laboratory, Pune (NCL) which is reported to have 'done pioneering work' in the field of process development catalysts, some of which have been commercialised by companies like IPCL and UCIL. Further according to the prospectus :

ICL would be required to pay NCL royalty @15% of sales and no further payment by way of lumpsum fee is involved. ... The company has entered into a collaboration agreement ... with Petron International. As per terms of agreement Petron will supply the process design package (based on pilot plant data of NCL). Petron would also provide overall project management services including basic engineering support and assistance to Company in supervision of construction, procurement, erection/commissioning and training of company's personnel. Apart from assisting the company to commercialise NCL process technology, Petron will also guarantee that the catalysts manufactured by Company would meet the performance requirement of the process licensees. It will also market company's product internationally. For the above services the company would be required to pay Petron fees of US\$ 375,000 net of taxes in three equal instalments, besides royalty @ 5% on domestic sales & 8% on Exports, net of taxes for a period of 7 years.<sup>50</sup>

The company proposed to import analytical and testing instruments. "The order for the same have been placed on Petron Sciencetech where Mr. Y.N. Sarin is the CEO (and wherein together with his family, has 100% shareholding) for the supply of all imported equipment".<sup>51</sup>

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50. Prospectus of International Catalysts Ltd.

51. Ibid.

Out of the 10 directors of the company as many as eight were either related to each other personally or through their group companies in USA. There is no public nominee on the Board of ICL. The financial position of Petron International Inc., the chief promoter of ICL during 1988 to 1991 is shown below.

**Table - 12**  
**Financial Position of Petron International Inc.**  
**(1988-1991)**

(U.S. Dollars)

|                           | 1988   | 1989      | 1990      | 1991    |
|---------------------------|--------|-----------|-----------|---------|
| Contract Revenues         | 47,337 | 1,140,139 | 1,145,051 | 766,454 |
| Net Profit                | (664)  | 46,641    | 18,587    | 9,838   |
| Total Stockholders Equity | (564)  | 46,077    | 11,688    | 21,526  |

In the light of these cases the assumptions of the new industrial policy that

In the fast changing world of technology the relationship between the suppliers and users of technology must be a continuous one. Such a relationship becomes difficult to achieve when the approval process includes unnecessary governmental interference on a case to case basis involving endemic delays and fostering uncertainty. The Indian entrepreneur has now come of age so that he no longer needs such bureaucratic clearance of his commercial technology relationships with foreign technology suppliers.<sup>52</sup>

sounds somewhat unconvincing. Probably, the need is for transparency in bureaucratic decisions than for doing away with them completely. These assumptions might hold good in case of 'arms length transactions' but not when both parties are related to each other.<sup>53</sup> These could be the cases of technology transfer between different arms of an MNC or other smaller groups. While prospectuses sometimes provide certain insights on these issues, when the projects do not come to the public one does not have much of a chance to examine these. At least the available evidence has shown that such individual decisions are more likely to go against the country's interest. Such cases raise doubts on the desirability of direct investments by NRIs.<sup>54</sup>

It is also important to note that some of the foreign importing agents with which MOUs for exports have been entered into were set up

<sup>52.</sup> See: Para 27 of the Statement on Industrial Policy, July 24, 1991.

<sup>53.</sup> We are aware that in such agreements the collaborator is seen to be extending not only his technology but also his marketing expertise and trade contacts. Further, these are supported as an accepted form of export promotion. Here our effort is not to refute the basic premise of the argument but to point out the pitfalls involved due to which the country could be a net loser.

<sup>54.</sup> The controversy over power projects may also be seen in this light.

just a few months before the MOU was signed. In a few cases the relationship between the promoters and their relatives was quite explicit. Such a relationship by itself may not be objectionable. But in such a situation one needs to pay additional attention to the prices of export and import items exchanged between the two parties.

The point for consideration is : What is the guarantee that an MOU would get converted into a full-fledged agreement once the public issue has been made? One also comes across instances where such foreign party's volume of operations are so low that one starts doubting their ability to meet their commitments. Moreover, in some cases, except for the letters from the foreign importers there is no evidence to support the claims regarding the foreign importer's size of operations. Additionally, even if the agreement finally materializes, the general investor at the time of public issue, would not know what the full terms of agreement are going to be.<sup>55</sup>

While it may not be possible to insist that a company should only report approved collaborations in the prospectus it cannot also be left to the promoters' free will to try and capitalise on such MOUs. Assuming that the foreign collaboration is crucial to the success of the project what happens if the MOU fails?<sup>56</sup> It needs no emphasis that general investors' decisions are influenced to a great extent by a company's foreign association. Are the companies trying to take undue advantage of this investor preference? What is more surprising is that in some cases the foreign collaborator does not provide for any performance guarantees. Moreover, assuming that both parties are genuine what happens if the government rejects the collaboration proposal after the issue is made? It is also a serious matter that some of the companies do not highlight the risks involved in such cases.

These issues need to be investigated further particularly with regard to Export Oriented Units and buy-back agreements by the foreign collaborators including NRIs.

A few points emerging from the above discussion are: first, the traditional emphasis on technical collaborations has been abandoned. The emphasis in the post-policy era is on foreign direct investment, in the form of financial collaborations. The industry-wise data on technical collaborations - in terms of their number, approved lumpsum payments, and approved royalty rates all point to the fact that the sharpest increase in technical collaborations are in the miscellaneous sector into which many non-essential items have been classified.

A significant amount of the approved technical collaborations involve (i) multinationals and their Indian affiliates, and (ii) large Indian industrial houses. The automatic approval scheme of the RBI is being taken advantage of by NRIs. It has given rise to some undesirable practices. The cases described in the foregoing have implications for export promotion schemes and for investor protection.

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<sup>55.</sup> In the light of this discussion, it would be worthwhile to examine how far such practices are responsible for the lacklustre performance of the EOU/EPZ schemes.

<sup>56.</sup> Reliance Petroleum Ltd, for instance, reported its MOU with UOP Inter-Americana Inc. At the time, the collaboration was yet to be approved by the government.

## Chapter Four

### PRIMARY CAPITAL MARKET AND THE PROGRESS OF COLLABORATION PROJECTS

Once an investment proposal gets the official approval it is for the partners to the investment who have to take necessary follow up action to implement the proposed scheme. It is a common knowledge that while a number of industrial investment approvals are initially obtained in the name of individuals and partnership firms the same are implemented by corporate entities registered subsequent to obtaining of the official approval. It is a business reality that large investment proposals are undertaken by public limited companies which depend heavily on capital market to mobilise financial resources from investing public and institutions. Issuance of a public issue by a company is a definite indication of the progress at implementation. For general public and government agencies the prospectuses issued for the public issue are a rich source of information. In fact, the prospectuses provide large amount of information on intents and commitments of the promoters and the underwriters to the issues.

Prospectus provide an over-view of the investment proposal starting with an introduction to the promoters of the company and the company directors. This is of considerable help for the investing public. For a long time because of the limited development of the India's capital market<sup>57</sup> the public response to a public issue was in direct proportion to the business associations and influence that the promoters had. For instance, those industrial houses and MNCs which are known for their better performance get high response -- some time the response has been as high as more than ten times of the offered capital for public issue. There is a large element of certainty that an un-known and competent promoter having excellent project proposal would probably not attract many subscribers. The issue may remain under-subscribed. In the present situation, however, one major part is that we are only scrutinising prospectuses issued by those who had been granted approval by the FIPB or the RBI. Thus, we are only examining cases wherein foreign and/or NRI investor is an important partner.

It, however, appears that role of foreign investors' and NRIs in the primary market has not received much attention. During the 'seventies a number of foreign controlled companies issued equity shares

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<sup>57.</sup> The Indian capital market has been gaining importance in the economy rapidly. The amount raised from the primary market has experienced a phenomenal rise over the past two years. During 1990-91 and 1991-92 about Rs. 1,700 crores were raised from the market. This amount jumped to Rs. 6,058.63 crores in 1992-93. It is estimated that during 1993-94 Rs. 13,000 crores would be raised from the market. See Prime Annual Report Part I, Public Issues 1992-93, Praxis Consulting & Information Services, New Delhi. Also see "Public issues to raise Rs 13,000 cr in '93-94" in Indian Express, March 18, 1994. The report further states that during the first 11 months of the current financial year more than Rs. 11,600 crores has been raised from public issues as compared to Rs. 5,503 crores during the corresponding period of 1992-93.

in a big way as part of their equity dilution strategy under FERA. It is after nearly two decades that large many companies are raising capital by private placement of shares for precisely the opposite reasons than the objective of dilution. In this chapter an attempt is made to estimate the extent of foreign direct investment in equity capital offered through the new public issues during 1991-92 to 1993-94. A note has been taken of the companies having foreign investment which received approvals for foreign investment during August 1991 to July 1993.<sup>58</sup> We did come across issues resulting from the proposals granted during this period having no mention of any equity participation by the foreign collaborators/NRIs.

For the present exercise only equity issues are taken up for analysis. The Euro-issues were excluded from the present exercise for obvious reasons. Out of about 1400 public issues made during April 1991 to early March 1994, 201 issues involved foreign and/or NRI equity participation. Since the format of reporting about promoters' contribution is not uniform or even adequate to indicate about composition and nature (i.e. foreign, NRI and domestic) of equity participation in capital structure, the same is not readily available. There are a few cases (we could identify seven) in which issue highlights claimed NRI or foreign investment. But capital structure does not indicate specifically about the same. Given these constraints and that of availability of prospectus in a few cases we could not ensure cent per cent coverage of those public issues which involve NRI and/or foreign investment. However, names of these companies and the write-ups in the newspapers suggest that not many cases involving foreign equity participation have been left out in our compilation.

Going for public issue to raise capital from the market is not a sufficient reason to conclude on the progress of a collaboration project. A company may not choose to go public before the project has reached an advanced stage of implementation. It is also likely that large projects accounting for a substantial share of the approved investment could be implemented as a wholly-owned subsidiary or a full joint ventures (wherein the foreign collaborator and the Indian partner take up the entire equity). For example, the Tata Information Systems Ltd is a 50:50 venture of IBM and Tatas. Similarly, a good number of collaborations are also likely to be organised as 'private limited companies'.

Prospectuses of public issues made since April 1991 form the data and information source for the present exercise. Firm allotment of shares has been taken as an indication of direct investment and all other subscriptions either taken up due to preferential allotment or obtained through open competition with the general public have been treated as portfolio investment. The present estimates are not strictly comparable with the available aggregate figures. Whenever we could identify the foreign equity which has already been taken up by the collaborator, the amount has been added to the collaborator's share in

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<sup>58.</sup> We had kept out of the analysis companies such as Hindustan Sanitaryware and Hindustan Electrographites which have been operating in India for a long time and no fresh equity inflow was involved in the issue.

the total issue amount. Similar adjustment was made for NRI shares also. This was intended to provide a full picture of their share in the total equity (after issue) of the concerned companies.

The study is also expected to provide an indication of the stage of implementation of the approved collaboration projects -- besides the responses to the questionnaires -- as the prospectuses are a rich source of information on the status of projects. These include project cost, expected date of commercial production, demand for the particular product, location, future projections, details of collaborations, components of the project cost, pattern of financing, manpower, etc. The list of companies involving foreign equity and/or firm reservation of shares for NRIs since April 1991 are given in the Annexure B.

It can be seen from Table - 1 that during 1991-92 total amount raised in the market was Rs. 1,711.36 crores. This consisted of equity issues, bonds, fully convertible debentures (FCDs), partially convertible debentures (PCDs), and non-convertible debentures (NCDs). Out of this an amount worth Rs. 552.77 crores was raised in the form of equity capital. The corresponding number of issues were 159. Foreign equity and the amount reserved for NRIs formed only 10.39 and 4.78 per cent respectively of the equity capital offered. During 1992-93, the total equity offered has increased to Rs. 2,762.54 crores. Though the foreign equity contribution has increased in absolute terms to Rs. 109.39 crores, its share in the total equity offered fell sharply to 3.96 per cent. Similarly, NRIs' share declined to 1.44 per cent.

**Table - 1**  
**Public Issues made during 1991-92 & 92-93**

|                                    | (Amount in Rs. crores) |         |
|------------------------------------|------------------------|---------|
|                                    | Year                   |         |
|                                    | 1991-92                | 1992-93 |
| Total Number of Issues             | 210.00                 | 527.00  |
| Total Amount raised in the Market  | 1711.36                | 6058.63 |
| No. of Issues offering Equity      | 159.00                 | 487.00  |
| Total Equity raised                | 552.77                 | 2762.54 |
| Foreign Equity                     | 57.41                  | 109.39  |
| NRIs Equity                        | 26.42                  | 39.86   |
| Foreign equity as % of Tot. Equity | 10.39                  | 3.96    |
| NRIs equity as % of Tot. Equity    | 4.78                   | 1.44    |

Source: Based on the information provided in: Prime Annual Report: Part I, Public Issues 1991-92 & 1992-93, Praxis Consulting & Information Services, New Delhi.

From Table - 2, it can be seen that the contribution of foreign collaborators and NRIs to total risk capital of the projects was less than 20 percent in each of the three years. Viewed from a slightly different angle the new approvals, though gaining increasing importance, have yet to reach a significant position. Their contribution to the total (post issue) equity capital of the companies which offered equity

during 1992-93, was only 2.37 per cent.<sup>59</sup> Role of foreign and NRI equity in total equity offered through public issues may be seen in Graph-1.

**Table - 2**  
**Share of Foreign and NRI Equity**  
**In the Post Issue Equity Capital (April 1991 to March 1994)**

(Rs. crores)

| Year                        | Foreign Equity |                             | NRI Equity   |                             | Total*<br>Equity |
|-----------------------------|----------------|-----------------------------|--------------|-----------------------------|------------------|
|                             | Amount         | % to Total<br>((2)/(6))x100 | Amount       | % to Total<br>((4)/(6))x100 |                  |
| (1)                         | (2)            | (3)                         | (4)          | (5)                         | (6)              |
| <b>1991-92</b>              | <b>65.55</b>   | <b>12.54</b>                | <b>23.35</b> | <b>4.47</b>                 | <b>522.76</b>    |
| of which                    |                |                             |              |                             |                  |
| Earlier App. <sup>(a)</sup> | 62.75          | 12.40                       | 24.20        | 4.78                        | 506.01           |
| New App. <sup>(b)</sup>     | 2.80           | 16.72                       | .            | .                           | 16.75            |
| <b>1992-93</b>              | <b>121.93</b>  | <b>12.87</b>                | <b>47.39</b> | <b>5.00</b>                 | <b>947.26</b>    |
| of which                    |                |                             |              |                             |                  |
| Earlier App. <sup>(a)</sup> | 39.62          | 7.50                        | 42.80        | 8.10                        | 528.18           |
| New App. <sup>(b)</sup>     | 82.31          | 19.64                       | 4.59         | 1.09                        | 419.08           |
| <b>1993-94</b>              | <b>95.76</b>   | <b>10.67</b>                | <b>70.01</b> | <b>7.80</b>                 | <b>897.39</b>    |
| of which                    |                |                             |              |                             |                  |
| Earlier App. <sup>(a)</sup> | 39.06          | 8.17                        | 58.50        | 12.24                       | 478.12           |
| New App. <sup>(b)</sup>     | 56.70          | 13.52                       | 11.51        | 2.75                        | 419.27           |

Notes:(1) Of about 1,400 public issues made during April 1991 to early March 1994, 203 issues involved foreign and/or NRI equity participation. This table is based on these 203 issues.

(2) Out of 203 issues involving foreign and/or NRI investment, 113 involved foreign equity and 96 NRI investment. 15 issues involving both NRI as well as foreign equity participation were counted in both categories. In case of 9 issues details regarding NRI and/or foreign investment are not available. However, from the prospectus highlights or as per details of official approvals these cases involve NRI and/or foreign equity.

(3) For 1993-94 the total amount offered is not available.

(4) The totals for foreign and NRI equity do not match with those reported in Table 1. We have taken note of the equity allotted/taken up by these categories prior to public issue.

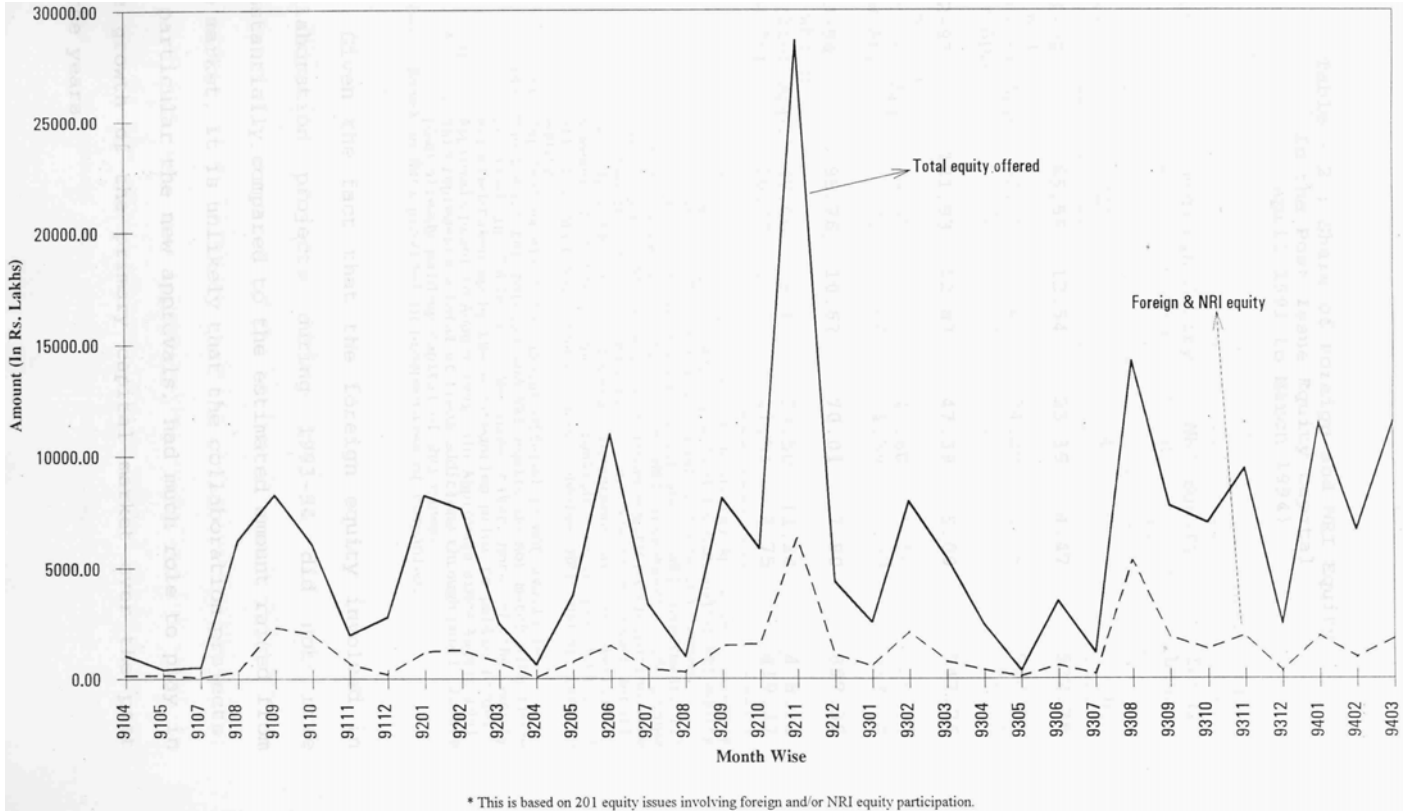
(a) Approvals prior to August 1991; (b) Approvals since August 1991.

\*This represents a total of fresh additions through public issues plus already paid-up capital of 203 cases.

Source: Based on data provided in prospectuses of companies.

<sup>59.</sup> Subscribed equity capital of companies which offered equity shares to the public during 1992-93 was Rs. 910.10 crores. To this if we add the total equity of Rs. 2,762.54 crores that was to be raised through public issues (including firm offers) the total equity of the companies after public offer would work out to Rs. 3,672.64 crores. Thus, the total direct foreign investment (including firm allotment to NRIs) of Rs. 169.92 crores account for 4.63 per cent. The corresponding amount and percentage shares for new approvals will be: Rs. 86.9 crores and 2.37%.

**Graph - 1**  
**Foreign and NRI equity in total equity issues\***



Given the fact that the foreign equity involved in collaboration projects during 1993-94 did not rise substantially compared to the estimated amount raised from the market, it is unlikely that the collaboration projects, in particular the new approvals, had much role to play in the growth of the primary capital market over the past three years.

One possible reason for this may be in the fact that not many cases involving well-known MNCs (which generally keep a higher stake in the venture) have not come to the market. Tata Timken, Bausch & Lomb, Timex Watches, Birla Ericsson, Citicorp Securities and Greaves Foseco are some of the well known foreign investment projects which came to the public during the period under study.

An examination at disaggregated level brings out more clear picture about investment made by foreign investors and NRIs through primary market.

Out of the 203 public issues involving foreign and/or NRI equity investment, 18 issues (each sizing above Rs. 20 crore) accounted for 43.35 per cent of total amount proposed to be raised from the market. Smaller issues numbering eighty five out of 201 (in the range of more than Rs. 2 crore and upto Rs. 5 crore) accounted for less than 15 per cent of the amount proposed to raised through equity issues. It means



that comparatively large issues though numbering only 18 proposed to raise the largest chunk from the market.

**Table - 3**  
**Size-wise Distribution of Public Issues**  
**Involving Foreign & NRI Investment**

| (Rs. in crores)                 |                  |                |               |
|---------------------------------|------------------|----------------|---------------|
| Public Issue Range<br>(Rs. cr.) | No. of<br>Issues | Total Amount   | % to Total    |
| (1)                             | (2)              | (3)            | (4)           |
| Upto 2 cr.                      | 8                | 10.34          | 0.50          |
| More than 2 & upto 5            | 86               | 306.67         | 14.88         |
| More than 5 & upto 10           | 62               | 431.36         | 20.93         |
| More than 10 & upto 20          | 29               | 417.24         | 20.24         |
| More than 20 cr.                | 18               | 895.40         | 43.44         |
| <b>Total</b>                    | <b>203</b>       | <b>2061.02</b> | <b>100.00</b> |

Note: (1) See notes 1 & 2 of Table-2 of this Chapter.

(2) Figures in brackets indicate percentage to total.

Source: Based on company prospectuses.

It emerges from the distribution of projects that out of the 199 projects involving NRI and/or foreign investment, only 22 projects each being larger than Rs. 50 crores accounted for 53.81 per cent of total cost (Rs. 5361.44 crores) to be put in 196 projects (See Table-4). The proportion of seventy eight projects (nearly two-fifths of the number of projects) was only 8.85 per cent. It implies that in terms of size large projects are dominating the scenario.

**Table - 4**  
**Size-wise Distribution of Projects Involving**  
**Foreign and NRI Participation**

| (Rs. in crores)                 |                    |                |               |
|---------------------------------|--------------------|----------------|---------------|
| Project Cost Range<br>(Rs. cr.) | No. of<br>Projects | Project Cost   | % to Total    |
| (1)                             | (2)                | (3)            | (4)           |
| Upto 5                          | 29                 | 121.23         | 2.26          |
| More than 5 & upto 10           | 49                 | 353.53         | 6.59          |
| More than 10 & upto 15          | 38                 | 452.84         | 8.45          |
| More than 15 & upto 20          | 21                 | 364.07         | 6.79          |
| More than 20 & upto 25          | 13                 | 280.45         | 5.23          |
| More than 25 & upto 50          | 27                 | 904.20         | 16.86         |
| More than 50                    | 22                 | 2885.13        | 53.81         |
| <b>Total</b>                    | <b>199</b>         | <b>5361.44</b> | <b>100.00</b> |

Note: (1) See notes 1 & 2 of Table-2 of this Chapter.

(2) Figures in brackets indicate percentage to total.

(3) In respect of four issues the project cost data is not available.

Source: Based on company prospectuses.

Table-5 shows that in about two-thirds of public issues involving foreign equity, foreign investors claimed more than 10 per cent share. More than one-third (46 issues) of these issues involved above 20 per cent of foreign equity participation. It is also evident that in a good number of issues foreign investment played an important role.

Table - 6 indicates that out of 96 issues involving NRI equity in more than 60 per cent of the cases equity participation of more than 10 per cent was sought to be subscribed by the NRI investors. In 28 cases NRI equity participation was above 20 per cent.

**Table-5**  
**Share of Foreign Equity in Public Issues**  
(Rs. in crores)

| Foreign Equity as<br>% of Public Issue<br>(1) | No. of Issues<br>(2) | Amount of<br>Foreign Equity<br>(3) |
|---|----------------------|------------------------------------|
| Upto 10                                       | 41                   | 16.75                              |
| More than 10 & upto 20                        | 26                   | 56.16                              |
| More than 20 & upto 50                        | 38                   | 168.17                             |
| More than 50                                  | 8                    | 42.16                              |
| <b>Total</b>                                  | <b>113</b>           | <b>283.24</b>                      |

Note: See notes 1 & 2 of Table-2 of this Chapter.

**Table - 6**  
**Share of NRI Equity in Public Issues**  
(Rs. in crores)

| NRI Equity as<br>% of Public Issue<br>(1) | No. of Issues<br>(2) | Amount of<br>NRI Equity<br>(3) |
|---|----------------------|--------------------------------|
| Upto 10                                   | 37                   | 13.50                          |
| More than 10 & upto 20                    | 31                   | 32.09                          |
| More than 20 & upto 50                    | 27                   | 91.20                          |
| More than 50                              | 1                    | 4.80                           |
| <b>Total</b>                              | <b>96</b>            | <b>141.59</b>                  |

Note: See notes 1 & 2 of Table-2 of this Chapter.

Out of the foreign collaboration projects which came to the public, in 60 cases the collaboration proposals were found to have been approved during August 1991 to July 1993. Main indicators of these projects are given in Table - 7.

**Table - 7**  
**Showing Select Indicators of Foreign Investment Projects**  
**Approved Since August 1991**

(Amount in Rs. crores)

|   |         |
|---|---------|
| Number of Issues covered                  | 60.00   |
| Total amount offered through Prospectuses | 734.11  |
| Total Offered + Subscribed                | 855.10  |
| Project Cost                              | 2045.03 |
| Manpower Projections (Nos.)               | 9950.00 |
| Foreign Equity                            | 141.81  |
| NRI Equity                                | 16.10   |
| Foreign Equity as %age of total equity    | 16.58   |
| NRI Equity as %age of total equity        | 1.88    |

Source: Based on company prospectuses.

Total inflow of foreign equity and NRIs' contribution through these public issues stood at Rs. 141.81 crores (16.58 per cent) and Rs. 16.10 crores (1.88 per cent) respectively. These projects, it is claimed, have employment potential for 9,950 people. The employment projections, however, cannot be taken very seriously since these are not subject to any serious outside appraisal. In any case, what is striking is that investment of each crore of rupees in these projects is expected to generate, on an average, an employment opportunity for nearly 5 persons.<sup>60</sup>

Taking advantage of the information provided in the prospectuses, we attempted to arrive at a tentative estimate of the average time that elapses between the time of approval of the project and commencement of commercial production. It may also be rewarding to know whether under the new policy environment the implementation period has got reduced and if so, to what extent. Does it happen that performance at implementation is related to the nature of industry or company affiliation?<sup>61</sup>

Table - 8 shows the gap between the time of collaboration approval and the scheduled commencement of commercial production as given in the prospectus. Table - 8 indicates that majority of the projects took between six to 24 months. The nodal range is one to one and a half years. There is only one case where commercial production was expected to start after two years.

An attempt has been made in the above to discuss the role and place of new foreign and NRIs investment in public offer of equity issues. At the aggregate level role of foreign and NRI investment is relatively insignificant compared to that of Indian promoters, investing public and financial institutions. However, this needs attention that corporate control may not necessarily correspond to proportion of equity capital

<sup>60.</sup> We are aware that such simple ratios can be misleading. We are planning to extend this exercise for larger number of issues so that proper comparisons could be made taking note of industry, ownership and regional characteristics.

<sup>61.</sup> One would also have to control for industry, size, imports of machinery and parts, age of the company, nature of technology suppliers and consultancy organisations and extraneous factors such as state of the economy and political situation. It should be also noted that if the collaboration is sought by non-manufacturing ventures like services operations may start without much gap.

held by the promoter and the foreign investors. Even with small share in the total equity in collaboration with foreign or NRI investor, an organised group of persons may exercise dominant control over the company. It is interesting to note that in the era of Indian companies going abroad making Euro-issues, at home established industrial houses present foreign investment in their public issues as a very significant factor in order to attract public response.

**Table - 8**  
**Showing the Time Taken by Select Foreign**  
**Investment Projects Since Receiving Collaboration**  
**Approval till the Commencement of Commercial**  
**Production**

| Time Taken (in Months) | Number of Cases |
|------------------------|-----------------|
| 0 to 6 months          | 11              |
| 7 to 12 months         | 12              |
| 13 to 18 months        | 15              |
| 19 to 24 months        | 12              |
| 25 months and above    | 1               |
| <b>Total</b>           | <b>51</b>       |

Note:(i) This exercise is confined to the foreign/NRI investment proposals approved since August 1991.

(ii) Out of the 60 cases, manpower data was not available for nine projects.

Source:IIC Newsletter for the time of approval and company prospectuses for date of commercial production.

Table - 9

Status of Implementation of Projects Involving Rs. 100 crores or More of Foreign Equity

| S. No.  | Foreign Collaborator & Indian Company | Foreign Equity (Rs. cr.) & Percentage Share | Product/ Activity                                    | Period of Approval |
|---|---------------------------------------|---|--|--------------------|
| 1   | Enron Power Development Corpn, USA    | 1464.00<br>60.00                            | To set up, own & operate a natural gas power station | Feb '93            |
| <p>Of all the foreign investment approvals since August 1991, the Enron's proposal attracted the maximum controversy and had generated considerable public debate not only because of the policy decisions involved in allowing foreign investment in the power sector and the minimum sovereign guarantees sought by foreign companies but also due to certain steps taken by Enron itself. At one stage it was reported that the proposal was being shelved. The latest available information indicates that the Cabinet Committee on Foreign Investment (CCFI) has given the final clearance including counter guarantee. The following extract might summarise the situation better:</p> <p>The starkest example of the ill-conceived projects is offered by Enron at Dabhol in Maharashtra. This Rs. 9,053 crore venture will generate 695 MW by burning imported distillates in the first phase by burning imported distillates in the first phase (Rs. 2,900 crores), and adding 1,320 MW and converting the whole capacity to liquefied natural gas, in the second. The capital cost works out to Rs. 44,000 per KW compared to under Rs. 10,000 for two recently completed BHEL projects (Singrauli and Chandrapura). The price to be paid by MSEB to Enron is designated in U.S. currency in a bizarre form of globalisation: 7.47 cents of Rs. 2.39 per KWhr. This is gold plated power with a vengeance, although gas-based electricity should be a fifth cheaper. An energy economist, Dr. Kirit Parikh, calculates after taking into account transmission and distribution losses and price escalation that industry will end up paying as much as Rs. 4 per unit for Enron's power!</p> <p>This is four times higher than the average rate the Indian consumer pays, and 570 per cent higher than MSEB's present generation cost. At this price, the choice is between condemning consuming industries to long-term uncompetitiveness, or raising MSEB's or Maharashtra government's deficit to unconscionable levels.</p> <p>The whole proposal is so outrageous that even the World Bank has refused to finance it. That is not all. Dr. Parikh estimates that Enron will cause a foreign exchange outgo of between Rs. 2,000 crores and Rs. 9,000 crores. Besides, it will enforce continuing dependence on an expensive, foreign, petroleum-based resource. Another estimate made by three former chairmen of the CEA and other experts shows that MSEB would lose Rs. 2,000 crores on Enron even if it doubled its tariff. On the other four recently approved projects, the loss at current tariffs would be Rs. 4,500 crores.</p> <p>These are mind-boggling numbers by any standard. They simply spell ruin for the power sector and for Indian industry. Evidently what is involved here is padding of capital costs, an internal rate of return of 30 per cent, exaggeration of fuel and material costs, and other ingredients of a gigantic scam. (See: Praful Bidwai, "The Great Power Scam : Why Foreign Deals Must be Scrapped", <i>Times of India</i>)</p> <p>Location: DABHOL, Maharashtra</p> |                                       |   |  |                    |

|   |  |                  |                           |         |
|---|--|------------------|---------------------------|---------|
| 2.  | International Petroleum (BVI), Switzerland | 600.00<br>100.00 | To set up an oil refinery | Aug '92 |
| <p>Our attempts to get the International Petroleum's (IP) address did not meet with any success. From press reports it appears that the project has ran into serious controversies. As per the reports the person behind the company was one Mr. B.R. Parmar. The FIPB is reported to be scrutinising the letter of intent issued to the company as the background of IP raised doubts about the credentials of the group. According a statement issued by Mr. Parmar in 1991 claimed that the group had purchased Winnie Refining Corp. in Texas with a refining capacity of 50,000 barrels per day. But oil industry sources doubt this claim. The sources further state that the Parmars have neither produced an annual report of the company nor address in the US confirming their ownership of the refinery. It was further reported that "... the telephone numbers listed on the letter head of the Parmar Refinery Corporation (India) Limited does not belong to them and attempts to contact company officials at Surat proved futile". Further, the Monopolies and Restrictive Trade Practices Commission is reported to have initiated inquiries soon after the Parmar Group started collecting money by selling application forms for LPG distributorship at Rs. 500 each. "Although it is not known how much money has been collected by the Parmar by selling application forms, the company is not going to start the LPG supply as promised". (See: "Parmar proposal being re-valuated" in <i>Financial Express</i>", October 5, 1993).</p> <p>According to another press report "The crux of the allegation against Parmar is that he does not actually have the Rs 4500 crore required to implement the project. He in turn has been reticent about he source of his financing, saying that his are private companies, registered in the British Virgin Islands and he is not obliged to supply details of their operations. He has, however, maintained that an international petroleum broker, he has access to large sums required and will not need loans from Indian financial institutions". Work on the project was reported to have been suspended following Gujarat Government's orders. (See: "Parmar's 4,500 cr dream turns sour", in <i>Economic Times</i>, August 27, 1993).</p> <p>Another report states that "Based in Switzerland, the Parmar Group is already owning a refinery each in Rotterdam, Holland and Houston, USA with a combined capacity of 7.5 million tonnes per annum. The group has its own offshore transport company". See: "NRI refinery project gets mired in red tape", in <i>Hindustan Times</i>, July 26, 1993.</p> <p>FIPB is reported to have written to the Gujarat Government saying that "The promoters have run into difficulties regarding land and other issues as the State Government is not satisfied regarding their bonafides. The Government of Gujarat has been requested to satisfy themselves before entering into contracts". Moreover, according to reports with the MRTPC, while Mr. Parmar had produced a bank certificate showing transfer of \$3.5 million to India, the Gujarat Government had "found it unsatisfactory, as it had failed to spell out the date, place and the bank where the money was shifted. A Surat-based petitioner was reported to have filed a petition praying that "the decision to allot the land of 1500 acres at a throw away price of RS 1 per acre to the company was against the public policy and also against the national interest". See: "Gujarat Govt, FIPB lock horns over Parmar refinery project", in <i>Financial Express</i>, dated January 8, 1994.</p> <p>Location :SURAT, Gujarat</p> |  |                  |                           |         |

|  |   |                  |  |         |
|--|---|------------------|--|---------|
| 3.   | GEC, USA<br>GE Capital Corp             | 315.90<br>100.00 | To provide financial services                  | Jul '93 |
| It was reported that "G E Capital plans to invest about \$100 million as equity in the next three to four years in the wholly-owned subsidiary.... Through the wholly-owned subsidiary, G E Capital proposes to set up several joint ventures with Indian partners. The joint venture companies will mainly focus on the domestic market.  |   |                  |  |         |
| 4.   | CP Aquaculture Business Group, Thailand | 366.00<br>50.00  | To manufacture shrimp feed and process shrimps | Jan '93 |
| 5.   | GOTCO, USA<br>Ashok Leyland Ltd         | 357.00<br>51.00  | To set up & operate an oil refinery            | Aug '92 |
| <p>Gulf Oil Trading Co (GOTCO) is reported to be belonging to the Hinduja Group. In 1984 when Gulf Oil merged with Chevron, the Hinduja group bought over Gulf Oil Trading Co (GOTCO). The project which should have been implemented in the joint sector have got involved in a controversy with its partner, the Indian Oil Corporation Ltd (IOC). The problem was not only the respective shares in the equity of the joint venture company but also over the supply of crude to the venture. While IOC's draft memorandum does not mention the name of GOTCO, the Leyland group spokesman maintains that "We wish to confirm that it is our intention to have the joint venture to arrange crude supply through GOTCO, conforming to internationally competitive prices". The spokesman further stated: "We are forced to conclude that IOC is unable to comprehend the dimensions of India's effort to harness private initiative and opt for free market operations. This attitude even today blocks the Orissa refinery project, despite the state government's own supportive efforts". It appears that while IOC was trying to avoid getting stuck with GOTCO, the Hinduja group have been trying to take maximum advantage of the project by forcing the joint venture to get all its supplies of crude from GOTCO. See: "Orissa refinery: Hindujas move PMO on IOC stand" in <i>Financial Express</i>, October 12, 1993.</p> <p>Ashok Leyland was reported to be planning to promote Gulf Oil India Ltd in collaboration with Gulf Oil International, Austria. Gulf Oil International in turn is jointly owned by the Hinduja Group and OMV, the Austrian National Oil co. See: "Ashok Leyland to market Gulf Oil industrial lubricants", in <i>Economic Times</i>, April 5, 1993.</p> <p>The latest in respect of the collaboration is as follows: Ashok Leyland Ltd, GOTCO and their associates on the one hand and Indian Oil Corp would have 26 per cent equity each in the refinery. Regarding the supply of crude to the refinery, Hindujas were reported to have accepted the Ministry's proposal that the matter of purchase of crude oil is best left to the joint venture. Ashok Leyland was also reported to have withdrew the condition regarding <i>Gulf</i> brand lubricating oils by IOC. The report suggests that the climb down by Hindujas followed the visit of officials of Kuwait Petroleum Corp to discuss with the Ministry the setting up of a joint venture refinery off the East Coast. See : "Hinduvas agree to IOC terms on refinery", in <i>Financial Express</i>, February 1, 1994.</p> <p>Location : East Coast, Orissa.</p> |   |                  |  |         |

|  |                                |                 |  |         |
|--|--------------------------------|-----------------|--|---------|
| 6.   | Cogentrix Development Co., USA | 274.50<br>56.25 | To set up, own & operate pulverised coal-fired power station | May '93 |
| <p>The project coming up in Karnataka, will import its entire requirement of coal. Cogentrix will put up a 1050 MW thermal plant in Mangalore in three phases of 350 MW each. The total investment in the project is estimated to be \$1.5 bn out of which 30 per cent would be in the form of equity. Cogentrix and GEC will together contribute \$45 million as equity and they have approached international financial institutions for the remaining part. GEC will supply turbines for the project. Coal will be imported either from Australia or Indonesia. Cogentrix has agreed to a guaranteed post-tax return of 16 per cent on investment in power. (see the report on the company in <i>Business Line</i> February 13, 1994. Jaiprakash Industries Ltd. (JIL) has decided to break off its tie-up with Cogentrix, US for setting up of thermal power project in Mangalore. Instead JIL had decided to tie-up with National Power, U.K. (See 'Newscast' in <i>Business India</i>, March 15-18, 1993.</p> <p>Location: MANGALORE, Karnataka.</p>   |                                |                 |  |         |
| 7.   | Caparo Group Ltd., UK          | 270.00<br>17.00 | Hot rolled coils   | Jun '93 |
| <p>One of the main reasons for the project not coming up was said to be the inability to tie up funds. Both the international and Indian funding agencies are reluctant to invest in the project because of the uncertainty over the future demand fro steel. The financial institutions were of the view that the planned production of 1.5 million tonnes of HR coil for the domestic sector was not a realistic proposition. "On the other hand, the promoters' demand for subsidised credit and certain other benefits, which no other companies in India enjoyed, was also rejected". See: "Swraj Paul may walk out of Daitari project" in <i>Telegraph</i> dated August 14, 1993 and "Swraj Paul backs out of Daitari steel project" in <i>Times of India</i>, August 12, 1993. Interestingly Mr. Paul is reported to have said that unless the debt-equity ratio is kept at three is to one, "there is no way of proceeding with this project". In the meantime Caparo Group has received an approval for its three way joint venture with Maruti Udyog Ltd and Machino Techno Sales Ltd. The latest in respect of the Caparo's proposal is that a revised proposal was submitted to IDBI with a 2:1 debt-equity ratio.</p> <p>Location: DAITARI, Orissa.</p> |                                |                 |  |         |



|  |  |                 |   |         |
|--|--|-----------------|---|---------|
| 8.   | Chandaria Group Geneva, Switzerland<br>Essar Investments Ltd.                  | 262.00<br>25.00 | To set up & operate an oil refinery                                     | Jan '93 |
| <p>While Essar seemed to be going ahead with the 100% EOU project, there is no mention of Chandarias. (see: "Essar oil refinery project facing hurdles", in <i>Pioneer</i>, April 19, 1992. The two groups (Essar and Chandarias collaborated to promote Steelco Gujarat Ltd came out with a public issue in August 1993. In the description of promoters given in the prospectus of Steelco, there is no mention of the joint venture refinery project). In the meantime, Hindustan Aegis LPG Bottling Ltd, a joint venture between Chandarias and Hindustan Domestic Oil Co, was set up to import LPG for parallel marketing to domestic consumers. The refinery is scheduled to be ready for operations in 1997-98.</p> <p>What surprises is that the Indian Oil Corporation (IOC) would be marketing the Essar Refinery products. To this effect an MOU was signed between IOC and Essar. The refinery was reported to being planned in a way "so as to maximise production of middle distillates, which are in great demand in the country". In such a situation the a question arises regarding the project's EOU status. See: "IOC to market Essar refinery products", in <i>Financial Express</i>, September 27, 1993.</p> <p>Location: VADINAR, near Jamnagar, Gujarat.</p> |  |                 |   |         |
| 9.   | C. Itoh & Co Ltd and their International Consortium<br>Reliance Industries Ltd | 234.00<br>26.00 | To set up & operate oil refinery of 9.00 million tonnes per annum crude | Jun '92 |
| <p>It has been reported that C Itoh &amp; Co (now Itochu) has quit the refinery project. It was reported that this proposal was considered as the first major investment by a Japanese company in response to India's economic liberalisation. See: "Itochu quits Reliance refinery", in <i>Indian Express</i> dated October 1, 1993. The prospectus of Reliance Petroleum Ltd., does not even mention the financial collaboration approval. Regarding the technical collaboration with UOP Inter Americana Inc. of USA, was only at the stage of MOU and official approval was yet to come at the time of public issue.</p>   |  |                 |   |         |

|   |   |   |   |         |
|---|---|---|---|---------|
| 10.   | New World of Hongkong, Hongkong /Dadi Balsara, Singapore  | 52.00 (20%)<br>132.60(51%) NRI<br>(Interpreted on the<br>basis of data given<br>in DSIR report) | To set up hotels & resorts  | Feb '92 |
| <p>Mr. Balsara had received approvals for three other projects, all in February 1992. Total approved investment in these project works out to Rs. ... crores. However, till February 1994 not much progress seems to have been made in any of these. Mr. Balsara is known for his perfumery business. A report published in February provides some indication of the stage of implementation of these projects.</p> <p>He has already obtained the Foreign Investment Promotion Board's clearances for a whole host of investment proposals of his: the establishment of a network of over 70 three-star, four-star and resort hotels throughout the country under the banner of a new company called the Dadi Resorts &amp; Hotels Ltd, in a tie up with Harvard Johnson, the biggest three star hotel chain in the world; the setting up of the first real mineral water factory in the country. ... his Rs. 100-crore plant, Mount Everest Mineral Water Ltd. will source water from Himalayas. ... He has drawn up other plans -- a Rs. 75-crore designer watches project in Gurgaon and a Rs. 100-crore perfume factory on the outskirts of Delhi already christened as Dadi Perfumes &amp; Cosmetics Ltd. While his immediate investment plan run up to Rs. 200 crore, the total investment projected over the next five years is a whopping Rs. 1,000 crore. See: "Perfume king who has the scent of the future", in <i>Pioneer</i>, February 28, 1994</p> |   |   |   |         |
| 11.   | Ispat Mexicana SA de CV, Mexico<br>Nippon Denro Ispat Ltd | 150.00<br>25.00   | To manufacture Hot rolled<br>steel in low carbon,<br>medium carbon HSLA and<br>pipe goods | Jul '93 |
| <p>The group has been claiming the foreign collaborator to be a constituent of their group. The Mexican company seems to have been taken over by the Mittals due its privatisation by the Mexican Government. (See: "Ispat group bags another project in Mexico", in <i>Economic Times</i>, dated October 10, 1992).</p>  |   |   |   |         |
| 12.   | Automobiles Peugeot, France<br>Premier Automobiles Ltd    | 120.00<br>50.00   | To manufacture passenger<br>cars  | Jul '93 |
| <p>The Board of Peugeot is reported to have cleared the collaboration with Premier. The company was to take over the Premier's existing plant in Kalyan, Bombay and will initially produce Peugeot 309 and Premier 118-NE which the company will buy over from PAL. The plant was expected to go on stream some time in 1994. Peugeot was expected to bring in equity largely in the form of technology and equipment. The joint venture would basically cater to the domestic market. See: "Peugeot clears tieup with Premier Auto", in <i>Business Standard</i>, September 26, 1993.</p>  |   |   |   |         |

|   |   |                 |  |         |
|---|---|-----------------|--|---------|
| 13.   | Spectrum Technology Inc., USA<br>Spectrum Power Generation Ltd. | 119.83<br>60.00 | To set up, own & operate a<br>natural gas based power<br>station | Apr '93 |
| <p>The Hindustan Petroleum Corp Ltd. and the Spectrum Power Generation Ltd have signed a MOU to supply naphtha to 206 MW combined cycle gas-based power station to be set up at the port town of Kakinada in A.P. The Rs. 7.72 billion project being set up is the first venture company in power sector. It is to be promoted by Spectrum Technology Inc., Jaya Food Industries, Hyderabad and NTPC. Rolls-Royce Partners, France, Westinghouse Corp and Commonwealth Development Corp will be participating in the equity of the company. The MOU was signed in Hyderabad on Thursday by R N Tankha, CGM of HPCL and Mr. M. Kishan Rao, MD of SPCL in the presence of Mr. A.V. Mohan Rao of Spectrum Technology Inc., USA. See: "HPCL, Spectrum sign pact for fuel supply" in Asian Age dated February 26, 1994, page 17.</p> |   |                 |  |         |

### **Status of Implementation of Collaboration Projects**

It has been noted earlier that thirteen projects account for more than half of the total approved investment and that implementation of even one or two of the largest projects would make a dramatic impact on the inflow figures. None of the 13 projects figured in the above analysis *i.e.* they have not come to the public so far for raising capital. Indeed, our compilations show that except for the two Reliance group companies namely, Reliance Polypropylene Ltd and Reliance Polyethylene Ltd no other company with large foreign equity had come to the public so far. We made an effort to find the status of implementation of the 13 mega projects. As the companies did not respond to our questionnaires we relied upon the documentation system of the Institute for having some idea of the progress of these projects. The results are presented in Table - 9.

It is important to note that some of these projects got involved in controversies of one or the other type. One common factor seems to be that the foreign investors have been trying to get maximum concessions and benefits for themselves. This seems to be one of the main reasons responsible for delays in their cases. The case of Enron was discussed in the press in detail. The proposal of International Petroleum got bogged down because of the doubts expressed regarding the financial resources of the promoters namely, the Parmars. One main reason for the delay in implementation of Caparo proposal is that the Pauls were trying to make the financial institutions accept a high debt-equity ratio. Ashok Leyland on its part tried to dominate the joint sector venture with the Indian Oil Corporation. As per the press reports they had climbed down only when there was a competition in the form of Kuwait Petroleum Corp. The investment by GE Capital is unlikely to lead to any export earnings as they would be concentrating on the domestic market. In the case of Essar project, it appears that the Chandarias seem to be silent.

Similarly efforts were made to collect information on the other collaboration projects also from various sources. A consolidated statement on the follow up of the foreign investment approvals is given in the following. If a public issue was made in respect of the collaboration project, an indication has been made to that effect. Also if the concerned parties had responded to our questionnaire, the same has been indicated. Equity hike cases have also been pointed out. Pooling of information from various sources is one method of following the progress of the projects. We intend to continue the monitoring of the approved projects.

Follow-up of Foreign Investment Approvals  
-- A Survey

*Date of Approval : 02/93*

**ENRON POWER DEVELOPMENT CORPN, USA**

Cabinet Committee on Foreign Investment (CCFI) has accorded final clearance including counter guarantee to the U.S. based Enron Development Corp's proposal for setting up a gas based power project at Dabhol in Maharashtra in association with General Electric & Bechtel also of U.S. While Enron is to hold 80% of the equity initially, the others would have 10% each. Enron has already signed a power purchase agreement with MSEB for Rs. 2.40 per KWH from the first phase and Rs. 2.37 from the second phase. (See "CCFI clears Enron, other proposals" in Business Line dated February 26, 1994, page 9; see also Business India, Dec. 20, 1993 - Jan. 2, 1994)

*Date of Approval : 02/93*

**VLSI TECHNOLOGY INC, USA**

VLSI Technology Inc, USA Indian subsidiary located in Bangalore is an application specific integrated circuit and application specific standard product manufacturer targeting the computer, communications, industrial, consumer and government application. (See S.R. Batliboi & Co. advt. on behalf of company for appointments for senior positions in Business India)

*Date of Approval : 02/93*

**MCDONALD'S CORPN, MCDONALD PLAZA, USA**

The Minister for food processing, informed the Rajya Sabha that the Mcdonald's restaurants will be set up in the country through a wholly owned subsidiary. The approval is subject to the condition that no dividend will be repatriated during the first seven years of operation, the total investment for these projects is expected to be \$40 million during the first seven years, the restaurants would work according to Indian laws. The foods to be served include sandwiches, burgers, fish and chicken nuggets and beverages. (See "Mcdonald to set up Indian subsidiary" in Business Standard dated December 16, 1993).

*Date of Approval : 04/93*

**BETZ INTERNATIONAL INC, USA**

Indian collaborator could be Betz Chemicals India Pvt Ltd. Betz Chemicals India Pvt Ltd. has been formed as a joint venture with Betz Inc, USA holding 51 per cent. Chemical Technologies, a Pennsylvania based NRI company holds the balance 49 per cent. See press report on the company in Economic Times, 4.12.93.

*Date of Approval : 05/93*

**COGENTRIX DEVELOPMENT COMPANY, USA**

Cogentrix will put up a 1050 mw thermal plant in Mangalore in three phases of 350 mw each. The total investment in the project is estimated to be \$1.5 billion out of which 30 per cent would be in the form of equity. Cogentrix and GEC will together contribute \$45 million as equity and they have approached international financial institutions for the remaining part. GEC will supply turbines for the project. Coal will be imported either from Australia or Indonesia. Cogentrix has agreed to a 5 year tax holiday. The centre has already agreed to a guaranteed post-tax return of 16 per cent on investment in power. (See Press report on the company in Business Line, 13.2.94) Jaiprakash Industries Ltd has decided to break off its tie-up with Cogentrix, US for setting up of thermal power project in Mangalore. JIL has decided to tie-up with National Power, UK. (See 'Newscast', Business India, March, 15-18, 1993)

**KPMG PEAT MARWICK, UK** *Date of Approval : 07/93*  
 Questionnaire received.

**ACC-NIHON CASTINGS LTD** *Date of Approval : 02/92*  
**NIHON CEMENT CO LTD, JAPAN**  
 This is a joint venture of Associated Cement Cos Ltd (ACC) and Nihon Cement Co, Japan with 55% and 45% shares respectively. The project is located at Butibori, Nagpur. Trial production started in October 1993. First year turnover is expected to be Rs. 20 crores. (See Business Standard dated February 18, 1994).

**ADARSH CHEMICALS & FERTILIZERS LTD** *Date of Approval : 12/91*  
**DAVY MCKEE, UK**  
 According to Indian partner, at present company does not have any collaboration with Davy Mackee Corp of UK.

**ADVANCED EXTRUFOIL TECH & EXPORTS LTD** *Date of Approval : 03/92*  
**ADVANCED FOIL TECH, USA**  
 Prospectus issued.

**AEC (INDIA) LTD** *Date of Approval : 10/92*  
**SHINSUNG TONGSANG CO, SOUTH KOREA**  
 Prospectus issued. AEC has entered into a technical collaboration with Shin Sung, Korea (a textile division of Daewoo, Korea) to set up a 100% EOU for manufacturing socks. The factory is coming-up at NOIDA. The collaborator has also entered into 5 years buy-back agreement. (See news item 'Daewoo to set up 100% EOU for socks supply', Economic Times, September 30, 1992)

**AEC (INDIA) LTD** *Date of Approval : 11/92*  
**HOUSUNG, SOUTH KOREA**  
 Entered into an agreement with Ho Sung Co., Korea (Division of Daewoo, Korea) for setting up of 100% EOU to manufacture surgical cotton and bandages with 5 years buy-back agreement. (See news item 'Daewoo set up 100% EOU for socks supply', Economic Times, September 30, 1992)

**AHIMSA MINES & MINERALS LTD** *Date of Approval : 02/93*  
**FI IMM SRI, ITALY**  
 Questionnaire received.

**AKG ACOUSTICS (INDIA) LTD** *Date of Approval : 04/92*  
**AKG AKUSTICHE U KING GERETE GMBH, AUSTRIA**  
 Equity hike from 39 to 55 %.

**AMAJIN AGRO EXPORTS LTD** *Date of Approval : 01/93*  
**AMAJIN CO LTD, JAPAN**  
 The foreign collaborator alleged that the Indian partner has swindled the money transferred by them. Legal proceedings are underway.

**AMIT CANUMALLA (CAPT.)** *Date of Approval : 06/92*  
**UG LAND BROTHERS LTD, UK**  
 Questionnaire received.

**AMIT SPINNING INDUSTRIES LTD** *Date of Approval : 07/93*  
**ASIAN FINANCE & INVESTMENT CORPN LTD, PHILIPPINES**  
 The company has come to the public. The foreign share has been reserved (taken up) in the name of AFIC.

**ANDREW YULE & CO LTD** *Date of Approval : 09/92*  
**WALTER HUNGER INTL GMBH, GERMANY**  
 Andrew Yule & Co. in another collaboration with Mushroom Consulting J. Huys BV, Netherlands set up a 100% EOU in North Bengal for cultivation and processing of Button mushroom. (See recruitment advt. in Hindustan Times, January 26, 1994)

**ANIL GUPTA**

*Date of Approval : 08/92*

**WOOSIN TRADING COMPANY LTD, SOUTH KOREA**

Karan Woosin, the company implementing the collaboration has issued shares to the public through prospectus.

**APAR LTD**

*Date of Approval : 05/92*

**GENERAL ELECTRIC CO, USA**

GE Apar Lighting Ltd. is the company formed to implement the collaboration with Apar and GE (50:50). (See "General Electric: Quick off the block" in Business India May 25-June 7, 1992). The project expected to cost Rs. 70 crores will involve spinning off of the lighting division of Apar (of Desais) to initially produce compact fluorescent lamps. (See "Apar Group: Brighter days ahead", in Business India, May 25-June 7, 1992).

**ARTECH POWER PRODUCTS LTD**

*Date of Approval : 10/91*

**TECTROL INC, CANADA**

Questionnaire received. According to Indian partner, there was no financial collaboration with Tectrol.

**ARUN PROCESSORS PVT LTD**

*Date of Approval : 04/92*

**TERLINGDEN TEXTILE VEREDLUNG AG, SWITZERLAND (NRI)**

Prospectus issued.

**ARYA COMMUNICATION & ELECTRONICS SERVICE LTD**

*Date of Approval : 07/92*

**MOTOROLA INC, USA**

Questionnaire received. Arya Communications has 20% equity stake in Motorola Bluestar Ltd. (See 'Blue Star disinvests stake in MBS', Financial Express, August 2, 1992)

**ASEA BROWN BOVERI LTD**

*Date of Approval : 02/92*

**ABB, SWITZERLAND**

Equity hike. (36.80% to 50.99%)

**ASHOK LEYLAND LTD**

*Date of Approval : 08/92*

**MISSION ENERGY CO, USA**

A joint venture company in the name of Hinduja National Power Co., may be registered at Hyderabad. The project envisages installation of two 500 MW capacity steam turbine generating units and coal fired boilers at Visakhapatnam. The company may enter the capital market in November 1994 with an issue of RS. 700 crores. The Rs. 5,600 crore project is planned as a joint venture between the British Power major and the Hinduja Group company, Ashok Leyland. The project will have Rs. 1,400 crores equity and the rest of the funding (\$450 million or Rs. 4,200 crores) will be in the form of offshore borrowings. Ashok Leyland would hold 26% equity and National Power would have 25% with a combined equity of about Rs. 700 crores. (See "Hindujas tie up with UK giant for power plant" in Times of India dated February 26, 1994, page 15).

Ashok Leyland has decided to set up a subsidiary for the export of software. The new company will be located in Bangalore and the initial investment is expected to be Rs. 7 crores. The company is looking for tie-ups. (See Business India, Feb 15-28, 1993, Newscast)

Ashok Leyland and National Power plc, UK signed an agreement covering the terms of electricity sales to the Andhra Pradesh Electricity Board and development of 1000 mw independent coal fired power station at Vishakhapatnam. Their earlier collaboration with Mission Energy has now been terminated. The total project cost of the venture is about Rs. 3200 crore. The operation of the power station will be by National Power. NP will hold 51 per cent equity. They are also planning to form a separate joint venture to acquire interests in existing power plants in India for the purpose of rehabilitation and management. (Financial Express, Nov., 17, 93)

**ASIAN CAN LTD**

*Date of Approval : 10/92*

**NRI, NRI**

Prospectus issued.

**ASIAN CAN LTD** *Date of Approval : 10/92*  
**CMB ENGINEERING GROUP,UK**  
Asian Consolidated Industries Ltd entered into a technical collaboration with CMB Packaging Technology, France for flip-top aluminium beverage cans. (Financial Express, July 12, 1993)

**ASSOCIATED PRECISION SPINDLES LTD** *Date of Approval : 04/93*  
**VERIOUS NON RESIDENTS,NRI**  
This possibly is related to the divestment of equity by Spindlefabrik Suessen and other German companies in favour of Temaco Holdings Ltd and Machinery Components and Exports Ltd, UK owned by non-resident Indians and a German company Gessellschaft. ("Associated Precision", Economic Times, December 24, 1992).

**AURO SL TECH. LTD** *Date of Approval : 10/92*  
**3L TECH GROUP,USA**  
Auro 3l Tech Ltd will get Rs 180.50 million as financial aid from an US firm 3l Tech Group for producing hard disk drives and hard disks. (See Observer of Business & Politics, January 16, 1993)

**AVIAFORT ENTERPRISES PVT LTD** *Date of Approval : 12/92*  
**AVIAZAPCHASTJ,RUSSIA**  
The Indian partner was Fortune International Ltd of the GOM group. Fortune, a "Trading House", has been engaged in exports to the CIS countries. "Joint venture to promote Indo-CIS trade", Statesman, December 22,1992).

**AVIKEM RESINS LTD** *Date of Approval : /91*  
**ARARIC INC,USA**  
Prospectus issued.

**BALAJI FOODS AND FEEDS LTD** *Date of Approval : 06/93*  
**OVOTEE INTERNATIONAL,DENMARK**  
Prospectus issued. Questionnaire received. According to the prospectus issued by the company on December 2, 1993, the company has entered into a 5 year agreement with Ovotec International A/S, Denmark for export of egg powder on a 3% commission on the contract value. And Ovotec International, Belgium is participating in the equity of the company.

**BALMER LAWRIE & CO LTD** *Date of Approval : 04/92*  
**NYCO SA,FRANCE**  
IOC is entering into a joint venture with Balmer Lawrie & Nyco SA of France to manufacture lubricants for the aviation and the defence sectors. The Madras based project as per sources at IOC, has been approved by the CCEA. Nyco will contribute Rs. 4.00 crores towards equity base of Rs. 8.00 crores. Balmer Lawrie and IOC will take up Rs. 2.00 crores each. The project is scheduled for completion by the end of 1995. Land in north Madras is reportedly has been acquired. (See "IOC venture with Balmer Lawrie, Nyco" in Business Line dated February 26, 1994, page1). Questionnaire received. Balmer Lawrie & Co Ltd is joining hands with Fuchs Petrolub of Germany to form a new joint venture for marketing of its products. (See company's recruitment advt. in Business World, Jan. 26-Feb. 8, 1994).

**BALMER LAWRIE & CO LTD** *Date of Approval : 10/92*  
**BP MIDDLE EAST LTD,UAE**  
The foreign collaborator informed that the joint venture proposal did not materialize.

**BATA INDIA LTD** *Date of Approval : 10/92*  
**BATA (BN) BV,NETHERLANDS**  
Questionnaire received. Equity raised to 51%.

**BEIERSDORF INDIA LTD** *Date of Approval : 07/92*  
**BEIERSDORF AG,GERMANY**  
Additional equity has been taken up by the foreign investor as the company claimed in its advertisement in Hindustan Times dated February 27, 1994.



**BENNINGER INDIA LTD***Date of Approval : /91***BENNINGER CO, SWITZERLAND**

This is a joint venture between the RPG group and Benninger Group, Switzerland. Both the partners will contribute Rs. 2.00 crores each to the equity (50:50). Total project cost was estimated to be Rs. 7.25 crores. The plant, located near Pune, was inaugurated in November 1992. ( See "3rd RPG co near Pune launched", Business Standard, November 28, 1992).

**BHARAT PETROLEUM CORPN LTD***Date of Approval : 06/93***SHELL OVERSEAS INVESTMENTS, UK**

Bharat Shell Pvt Ltd would be implementing this project. A part of BPCL's lube oil blending plant in Bombay has been modified to upgrade the lubes to Shell's standards and a 70,000 tonne plant is coming up outside Bombay to produce wider range of lubes. The plant is likely to be ready by early 1996. (See Sunday Observer February 27-March 5, 1994) Shell will hold 51% stake and BPCL 49%. The company is expected to be operational by mid-1993. (See 'Newscast', Business India, Feb. 1-14, 1993)

**BIOTECH FROZEN FRUITS & VEGETABLE LTD***Date of Approval : 11/92***KHULZENTRUM MARIENTAL, GERMANY**

100% EOU to process fruits and vegetables locating at Bareilly, UP. German company is supplying plant and will also be buying back the entire annual production for five years. The 1.48 cr. venture was to become operational by early 1993. (See 'Food Processing Units', Business World, 10-23 February, 1993)

**BIRLA 3M LTD***Date of Approval : 08/92***MINNESOTA MINING & MFG CO (3M), USA**

Questionnaire received. Equity hike from 40% to 65%.

**BIRLA ERICSSON OPTICAL LTD***Date of Approval : 08/92***ERICSSON CABLES AB, SWEDEN**

Prospectus issued. Commercial production of Optical fibre cables has started at its Rewa plant. (Economic Times, March 14, 19 94)

**BRITISH TECHNOLOGY GROUP INDIA PVT LTD***Date of Approval : 07/92***BRITISH TECHNOLOGY GROUP LTD, UK**

It is a 50:50 joint venture between British Technology Group, UK and Creditcapital Finance Corpn Ltd. BTG will locate and bring technology to India and will also help to transfer Indian technology overseas. (See 'BTG joint venture with CFC allowed', Times of India, August 3, 1992)

**BTP INDIA LTD***Date of Approval : 07/92***BTP PLC, UK**

Questionnaire received. The Indian company is probably RPG BTP (I) Ltd, a RPG Group company. The company has advertised for General Manager position for its Leather Chemicals Division in Business India.

**BUHLER INDIA LTD***Date of Approval : 01/92***BUHLER LTD, SWITZERLAND**

Bulher AG will hold 51% stake. Joint venture will pay a 5 per cent royalty on its sales to the Swiss parent. On the eve of the formal inauguration of Bulher (I) Ltd's manufacturing unit Mr. H. Hugi, Chairman of the company said, "we decided to snap our long standing arrangement with Larsen & Toubro while setting up a joint venture as L&T's overhead costs are too high". (See press report on the company in Business Standard, 19.1.93)

**CARGILL SOUTHEAST ASIA LTD***Date of Approval : 08/92***CARGILL SOUTHEAST ASIA LTD, SINGAPORE**

See "Cargill departs: Time to punish those who sell India" by George Fernandes in Indian Express dated February 26, 1994, page 8.

**CARGILL SOUTHEAST ASIA LTD**  
**CARGILL INC,USA**

*Date of Approval : 12/92*

As part of an aggressive marketing strategy, Cargill is planning to set up a unit at Bellary, by February, 94, that will produce a new variety of Cargill jowar seeds for the kharif season in June 94. (See Business India, Nov. 8-21, 93).

**CARRIER AIRCON LTD**  
**CARRIER CORPN,USA**

*Date of Approval : 01/92*

Equity hike. (increased stake to 51%)

**CEGELEC INDIA LTD**  
**CEGELEC,FRANCE**

*Date of Approval : 06/92*

Cegelec India, with 9 years of its presence in India, is a well diversified process control and industrial automation company. Till date it has executed over 150 contracts. Cegelec of France is a member of Alcatel Alsthom. (See Company's Appointments Advt.)

**CENTAK CHEMICAL LTD**  
**AKZO CHEMICALS INTERNATIONAL B.V.,NETHERLANDS**

*Date of Approval : 12/91*

The joint venture company's name is probably Centak Chemicals Ltd. Centak Chemicals Ltd is a joint venture unit of Birla group and AKZO Chemicals, The Netherlands, manufactures organic peroxide initiators for polymer industry advertised for sales engineers. (See company's advt. in Independent, October 2, 1993)

**CG HARTMANN & BRAUN LTD**  
**HARTMANN & BRUAN A G,GERMANY**

*Date of Approval : 06/93*

An advertisement on behalf of the company, a 50:50 joint venture of Crompton Greaves Ltd and Hartmann & Braun Ag, Germany (subsidiary of Mannesman AG group) for sales engineers was placed in the Times of India, 26/02/1994. The factory of the JV at Gurgaon was inaugurated in November 1992.

**CHAITRA ADVERTISING PVT LTD**  
**LEO BURNETT WORLDWIDE INC,USA**

*Date of Approval : 12/91*

Chaitra Leo Burnett Pvt Ltd, Bangalore is advertising on behalf of a Mauritius company for filling up some positions in the Mauritius company. (See, Times of India appointments January 5, 1994)

**CHAMPION JOINTINGS LTD**  
**FEODOR BURGMANN DICHTUNGSWERKE GMBH & CO,GERMANY**

*Date of Approval : 03/93*

Questionnaire received.

**CHEMITHON ENGINEERS PVT LTD**  
**CHEMITHON CORPN,USA**

*Date of Approval : 03/93*

Chemithon Engineers Ltd, a joint venture of Chemithon Corp in India, seems to have started its operations. S.N. Trivedi MD of the Co. said that an associate company Surfactant Speciality will buy back 30 per cent of the surfactant production from Pentafour Products on the basis of a five-year pact. Pentafour has entered into a technical collaboration agreement with Chemithon Corp of US to set up a Rs. 17.25 crore project for anionic surfactants. (See "Pentafour Products, US firm tie up for surfactants" in Business Standard dated February 26, 1994, page 24.) Questionnaire received.

**COATES OF INDIA LTD**  
**COATES BROTHERS PLC & BOSTIK LTD,UK**

*Date of Approval : 09/92*

Questionnaire received.

**COLOUR CHEM LTD**  
**HOECHST AG,GERMANY**

*Date of Approval : 06/92*

Questionnaire received.  
Equity hike. ((raised to 51%))

**COMPACT DISC INDIA LTD** *Date of Approval : 07/92*  
**NETSTAL/FIRST LIGHT TECHNOLOGY INC,USA**  
Prospectus issued.

**COMPACT DISC INDIA LTD** *Date of Approval : 11/92*  
**FIRST LIGHT TECHNOLOGY,USA**  
Possible duplicate entry. The company issued Prospectus.

**CONTINENTAL PUMPS & MOTORS LTD** *Date of Approval : 11/92*  
**ATURIA POME, ITALY**  
Italian collaborator Aturia Pome & Rotos Spa is going to have 10% stake in the equity. The company proposes to change its name either to Continental Aturia Ltd or Continental Rotos Ltd. (See news item in Economic Times, January 16, 1992)

**CONTROL TECHNIQUES (INDIA) PVT LTD** *Date of Approval : 07/93*  
**CONTROL TECHNIQUES PLC,UK**  
Questionnaire received.

**CONTRONIC INTERNATIONAL PVT LTD** *Date of Approval : /91*  
**TRELLENS HB, SWEDEN**  
Questionnaire received.

**CREDIT CAPITAL FINANCE CORPN LTD** *Date of Approval : 03/93*  
**LAZARD BROTHERS & CO LTD,UK**  
Capital hike from 25 per cent to 40 per cent. Mr. Udayan Bose, the founder Chairman of Creditcapital, will be joining board of Lazard Brothers in London as a director. The name of the company may be changed to Lazard Creditcapital. (See press report on the company in Economic Times, 3 March, 1993) Creditcapital Finance Corpn Ltd has a 50% equity stake in British Technology Group (I) Ltd. (See Times of India, August 3, 1992)

**D SURESH THREE BAGS INDIA PVT LTD** *Date of Approval : 03/93*  
**EJ LAUKKU OY (THEE BAGS OF FINLAND),FINLAND**  
Questionnaire received.

**DABUR INDIA LTD** *Date of Approval : 09/91*  
**INVAMED INC,USA**  
Dabur India plans to diversify into confectionary products by forming a new joint venture company with Guldenhorst BV, Netherlands. (See 'Dabur ties up with Spanish firm', Economic Times, October 20, 1993)

**DADI BALSARA** *Date of Approval : 02/92*  
**SPADLER, BELGIUM & KRUPP, GERMANY,BELGIUM**  
Mount Everest Mineral Water Ltd was incorporated for implementing the project. The plant of this project is expected to cost Rs. 100 crores. (See "Perfume king who has the scent of the future" in Pioneer February 28, 1994).

**DADI BALSARA** *Date of Approval : 02/92*  
**NEW WORLD OF HONGKONG,HONG KONG**  
The approval was for a financial tie-up with New World of Hongkong. A company Dadi Resorts & Hotels Ltd was incorporated to implement the project with a tie-up with Harvard Johnson, a three-star hotel chain. Surprisingly New World of Hong Kong was not mentioned in this report. (See "Perfume king who has the scent of the future" in Pioneer dated February 28, 1994).

**DADI BALSARA** *Date of Approval : 02/92*  
**PUPIL OF ITALY, ITALY**  
A company Dadi Perfumes & Cosmetics Ltd was incorporated for this purpose. The project is estimated to cost Rs. 100 crores. See "Perfume king who has the scent of the future" in Pioneer dated February 28, 1994.

**DADI BALSARA** *Date of Approval : 02/92*  
**DADI JOWISSA, SWITZERLAND**  
The designer watch project to be located in Gurgaon is expected to cost Rs. 75 crores. See "Perfume king who has the scent of the future" in Pioneer dated February 28, 1994. A company Dadi Watches Ltd is likely to implement the project.

**DAIKAFFILL CHEMICALS INDIA PVT LTD** *Date of Approval : 10/92*  
**DAIKA (JAPAN) LTD, JAPAN**  
Questionnaire received.

**DAIRY FARM EQUIPMENT (I) LTD** *Date of Approval : 12/92*  
**ALFA LAVAL AGRI INTL, SWEDEN**  
The company reported that it was a joint venture between Alfa Laval (India) Ltd and Alfa Laval Agri, Sweden set up specifically to cater to the needs of the dairy farming community. The fact that it had supplied and installed the liquid milk processing and packing plant to Naintara Farms suggests that the company's operations have commenced. (See the advertisement of Naintara Farms Pvt Ltd in Times of India dated February 21, 1994) .

**DALSEN VECIAP (INDIA) LTD** *Date of Approval : 05/92*  
**DALSEM VECIAP, NETHERLANDS**  
Dalsem Veciap BV Agro Industries has floated Dalsem Veciap Agro Industries (I) for the purpose of setting up projects in India, Nepal and the Middle East. (See 'Dalsem Veciap's technical tie-up', Economic Times, March 12, 1993)

**DASHMESH-HAEGENS AGRO TECH. LTD** *Date of Approval : 06/93*  
**HAEGENS HOLLAND BV, NETHERLANDS**  
Questionnaire received.

**DDE ORG SYSTEMS LTD** *Date of Approval : 07/93*  
**DANSK DATA ELECTRONIK A/S, DENMARK**  
The joint venture is between Dansk Data Elektronik A/s, Denmark, ORG Systems (Computer division of Sarabhai Electronics Ltd) and Industrialization Fund for Developing Countries (IFU). The joint venture offers advanced information technology systems and its activities. (See 'Major Indo-Danish joint ventures', Economic Times, January 18, 1994)

**DEEP C ANAND** *Date of Approval : 06/93*  
**DANA CORPN, USA**  
Questionnaire received. Probably the Indian collaborator is Spicer India Ltd, a company belongs to Anand Group. Recently the company's foundation stone for their automotive industry was laid at Village Kurli near Pune. Dana Corpn. holds 74.9% stake in the equity and Anand Group 25.1%. (Company's advt. on the eve of foundation stone laying ceremony, Hindustan Times, January 19, 1994)

**DEEPAK INDUSTRIES LTD** *Date of Approval : 01/93*  
**HI TON INTERNATIONAL LTD, UK**  
Questionnaire received.

**DIGITAL EQUIPMENT (INDIA) LTD** *Date of Approval : 07/93*  
**DIGITAL EQUIPMENTS HOLDINGS BV, NETHERLANDS**  
Equity hike. (40% to 51%) A high level special audit team from the parent company was recently in India to review the cause of the Indian company's dismal performance (loss of Rs. 6.23 crore) during financial year 1992-93. The team found significant deviations from DEC's policies, and recommended for change in the top management. The company has lost the dealership of Apple Macintosh. (See 'Newscast', Business India, February 14-27, 1994)

**DIVYA ENTERPRISES PVT LTD** *Date of Approval : 11/92*  
**NRI, NRI**  
Prospectus issued.

**DPS SOFTWARE LTD**

*Date of Approval : 09/92*

**ADVANCED ENVIRONMENTAL CONSULTANTS INC,USA**

The US company will have 51% of foreign equity share in the joint venture for making computer software and floppy disks. (See '102 foreign tie-up approved in Sept-Oct '92', Observer of Business & Politics, January 16, 1993)

**DS AQUACULTURE INDIA PVT LTD**

*Date of Approval : 06/92*

**DS AGRICULTURAL CO LTD,THAILAND**

Questionnaire received.

**DUCKWORTH FLAVOURS (INDIA) LTD**

*Date of Approval : 12/91*

**DUCKWORTH GROUP,UK**

The Khoday Group of India and the Duckworth Group of UK have jointly set up in Bangalore a new company Duckworth Flavour (I) Pvt Ltd to manufacture food flavourings. The collaborator provides technical support and access to world market to the Indian joint venture. The joint venture will use the 'HEART BRAND' for their product in India. (See the company's advt. for recruitment in Statesman, July 18, 1993)

**E MERCK (INDIA) LTD**

*Date of Approval : 09/92*

**E MERCK,GERMANY**

Questionnaire received.

**EAST ABRASIVES LTD**

*Date of Approval : 03/92*

**ATRESSA CERAMICS,SPAIN**

The name of the joint venture company was corrected to the present one based on the newspaper report. The Indian partners were reported to be the Maini Group of Bangalore. The unit had gone into commercial production in November 1992. The JV, Maini Granites, a 100% EOU also seems to be belonging to this group. ("Maini group links with Abressa to produce abrasives", Economic Times, November 25,1992).

**ELECTREX INDIA LTD**

*Date of Approval : 06/92*

**HITACHI KOKI CO LTD,JAPAN**

Prospectus issued.

**ELF LUBRICANTS (INDIA) PVT LTD**

*Date of Approval : 12/92*

**ELF LUBRICANTS TOUR ELF,HAUTS-DE-SEINE,FRANC**

The Elf Lubricant (I) Ltd, a 51% Indian subsidiary of Elf group of France, has the low-profile REPL Engineering of Bombay as its partner and is entirely managed by the French conglomerate. The company has just started its marketing drive. The company's new plant coming up at Bombay is almost entirely automated and is being imported from France. Nina Ricci, a group company of Elf Aquitaine, is planning to set up an Indian subsidiary to manufacture designer and jewellery watches along with some health care products. The companies in the Elf camp are names like Sanofi, Yves Rocher and Yves St Laurent apart from Nina Ricci. (See Press Report on the Company in Business Standard, 12.2.94) Elf Lubricants (I) Ltd has also tied-up with Lucas India Services Ltd for a strategic marketing alliance. (See Business India, January 3-16, 1994)

**ELTEX GROUP**

*Date of Approval : 08/92*

**TECNOSTRAL TRADING LTD,BRAZIL (TECHNICAL)**

Eltex Super Castings Ltd., of Eltex Group of companies plans to set up a fully equipped machine shop with CNC machining centres. The Rs. 3 crore machine shop will come up over a period of two years from 1994. (See Press report on the company in Business Line, 24.2.94)

**EMCO DYNATORQ TRANSMISSIONS PVT LTD**

*Date of Approval : 03/93*

**LENZE AUSLANDS VESTRIEB GMBH,GERMANY**

Questionnaire received.

**EMPRO SERVICES INDIA LTD** *Date of Approval : 10/92*  
**NABORS DRILLING INTERNATIONAL INC,USA**  
Questionnaire received.

**EPE PROCESS FILTERS & ACCUMULATOR PVT LTD** *Date of Approval : 05/92*  
**NRI,NRI**  
Questionnaire received.

**EPIC ENZYMES PHARMA & INDSL CHEM PVT LTD** *Date of Approval : 10/91*  
**FEINCHEMIE SCHWEBDA GMBH,GERMANY**  
Prospectus issued. Questionnaire received.

**EPIC SCHWEBDA CHEMICALS PVT LTD** *Date of Approval : /91*  
**FEINCHEMIE SCHWEBDA GMBH,GERMANY**  
The collaboration has been implemented by the Indian promoter itself. Foreign collaborator took up shares in the Indian promoter company. To that extent this collaboration can be treated to be infructuous one. Epic Enzymes, Pharmaceuticals & Industrial Chemicals Ltd has already implemented the collaboration and had come to the public in June 1993 for raising equity capital. The Indian collaborator has two approvals. But one is just duplicate. Source: Reply.

**ERA SOFTWARE SYSTEMS** *Date of Approval : 05/92*  
**SEEC INC,USA**  
Questionnaire received.

**ESCON CONSULTANTS PVT LTD** *Date of Approval : 12/91*  
**SIEMPELKAMP GMBH & CO,GERMANY**  
According to the Indian partner, the approved collaboration is still under negotiation.

**ESCORTS LTD** *Date of Approval : 03/92*  
**HUGHES NETWORK SYSTEMS INC,USA**  
Hughes Escorts Communications Ltd (HECL) is a joint venture with Escorts Ltd and Hughes Network Systems, USA (subsidiary of Hughes Aircraft Co.) holding 51 per cent and 49 per cent equity respectively (See Economic Times, January 31,1994). Escorts group has been advertising HECL as its group company. (See Observer of Business and Politics, February 12, 1994)  
HECL was incorporated in 1991 and has been working towards establishing infrastructure to provide satellite based value added communication services to Indian companies. HECL has received approval from Deptt. of Telecommunications to provide 64 kbps satellite services. (See 'Indusa', February, 1994 p. 17)

**ESKAY AGRO-TECH LTD** *Date of Approval : 06/93*  
**ASIA WAY INDUSTRIAL LTD,HONG KONG**  
The Indian company is probably promoted by VST Industries, because VST Industries earlier collaborated with Asia Way Industrial Ltd., Hong Kong. (See 'VST Ind diversifying into farm products', Economic Times, March 9, 1994)

**EURO LEDER FASHION LTD** *Date of Approval : 04/93*  
**NRI,NRI**  
The company's prospectus issued in connection with its offer of shares to the public does not mention any firm equity participation of Rs. 321 lakhs by NRIs. Information provided on directors and promoters also does not reveal any association with NRIs. See prospectus of the company dated February 10, 1994 (issue opening date March 16, 1994). The letter from the Indian partner mentioned that the company has offered Rs. 75 lakhs to NRIs in its Public Issue. The company has market tie-up with Sona Inc, USA, Cross Roads Accessories, USA, Tubmeal Exports Pvt Ltd, Singapore and SPS Management, Canada. These tie-ups are for the first full year production of leather garments. The factory at Pallavaram is to be commissioned by April. (See 'Madras garments firm plans foray into advanced markets', Business Standard, March 2, 1994)

**EUROLINK OVERSEAS PVT LTD** *Date of Approval : 06/92*  
**SOVFINTRADECO LTD, RUSSIA**  
Eurolink is a 100% export-oriented software technology park in Delhi to provide state-of-the-art information technology infrastructure to develop computer software for export. (See advt. for appointments in Data Quest, December 93)

**EXCAVATION & EQUIPMENT MFG (P) LTD** *Date of Approval : 12/92*  
**ARF VAN DER STEEN PARAGON INTL BV, NETHERLANDS**  
Questionnaire received.

**FANUC INDIA PVT LTD** *Date of Approval : 06/92*  
**FANUC LTD, JAPAN**  
In Fanuc India, GE was reported to have collaborated with Fanuc of Japan, and Voltas for factory automation. See "General Electric: Quickest off the block" in Business India, May 25-June 7, 1992.

**FARMTEK AGRO EXPORTS LTD** *Date of Approval : 06/93*  
**AEM BV, NETHERLANDS**  
Questionnaire received.

**FAXON INFORMATICS PVT LTD** *Date of Approval : 03/92*  
**FAXON COMPANY INC, USA**  
Faxon Company Inc, USA will have 40% equity stake in the joint venture for CD-ROM publishing. Faxon Informatics Pvt Ltd., will only publish a master copy of each database. Mass manufacturing may be sub-contracted to a Haryana based company, Compact Disc India. About 20 Indian databases have been identified for publishing. Informatics already has a tie-up with US based Dialog for database services and development. (See company write-up in Dataquest, August 1993)

**FESTO DIDACTIC (P) LTD** *Date of Approval : 02/92*  
**FESTO DIDACTIC KG, GERMANY**  
Foreign collaborator refused to respond. Questionnaire received. Festo Didactic Pvt Ltd. is imparting training in control and automation technology on the lines of 'didactic schools' of Europe. The training programmes in India are aimed at fulfilling the gap between the educational institutions and the industry. (See company write-up in Observer of Business and Politics, 18.2.94)

**FISKARS INDIA LTD** *Date of Approval : 01/93*  
**FISKARS OY AB, FINLAND**  
Questionnaire received./Hike case.

**FLAVEX AROMATS INDIA PVT LTD** *Date of Approval : 08/92*  
**FLAVEX NATUREXTRAKTE, GERMANY**  
Questionnaire received.

**FLOATGLASS INDIA PVT LTD** *Date of Approval : 04/93*  
**ASAHI GLASS CO LTD, JAPAN**  
A joint venture of Asahi Glass Co, Japan and Tata Group (represented by ACC, TELCO and Tata Exports) for manufacture of clear and tinted float glass at Taloja, Dist. Raigad expected to commission by the end of 1994. (See advt. for recruitment in Times of India, January 8, 1994) Equity hike. (stake increased to 51%)

**FOMAS INDIA LTD** *Date of Approval : 06/93*  
**FOMAS SRL AG, ITALY**  
Questionnaire received.

**FORBES TINSLAY CO PVT LTD** *Date of Approval : 12/91*  
**H TINSLAY & CO., UK**  
The products manufactured by Forbes Tinsley Co Pvt Ltd will be marketed by Forbes Gokak Ltd. (See company's advt. in Electronics For You, January 94)

**FRANCIS KLEIN & CO PVT LTD**  
**NAGEL MASCHININ,GERMANY**

*Date of Approval : /91*

Managing Director of the Indian venture G A Agarwal is also on Nagel board. The company has supplied second batch of honing machines to Simpsons and Co. Negel has 51% equity. Factory located at Peenya, Bangalore. (Business India, Feb. 15, 1994)

**FRANCIS KLEIN & CO PVT LTD**  
**STATOMATE SPECIALMASCHINEN GMBH,GERMANY**

*Date of Approval : 09/91*

Questionnaire received.

**GAIACORP UK LTD**  
**GAIACORP IRELAND LTD,UK**

*Date of Approval : 10/92*

TIGAN of Hong Kong, promoted by Nanik Mulchandani and Trith Mulchandani has set up a currency risk management company jointly with Gaiacorp, UK. Tigan Gaiacorp with a paid up capital of Rs. 5 crore will operate from Bombay. (See 'Tigan Gaiacorp tie up for forex management', Pioneer, March 6, 1993)

**GE CAPITAL CORPN**  
**GENERAL ELECTRIC CO,USA**

*Date of Approval : 07/93*

GE Capital joined hands with Housing Development Finance Corpn to launch a new company called Countrywide Consumer Finance Services with 50:50 stake. The company aims to transform consumer finance into a big league game. (See company write-up in Business World, 9-22 February, 1994)

**GEC ALSTHOM GROUP OF COS**  
**GEC ALSTHOM NV,NETHERLANDS**

*Date of Approval : 06/93*

GEC Alsthom NV of France parent company of GEC Alsthom India has bailed it out from its "acute financial crisis by remitting Rs. 25 crores". GEC Alsthom India had been facing the crisis for a long time and failed to pay its bankers and suppliers. Company officials said: "GEC functions in a peculiar manner. While its corporate office is in Madras, the chairman sits in Delhi and the finance director in Bangalore". And a senior official of the company says "the entire company is run by me through a personal computer only". (See company write-up in Telegraph, 22.2.94)

**GEOMETRIC TOOLS PVT LTD**  
**OTTO BILZ WERKZEUGFABRIK GMBH & CO,GERMANY**

*Date of Approval : 12/92*

Questionnaire received.

**GILT PACK LTD**  
**JIN WOO INC LTD,SOUTH KOREA**

*Date of Approval : 11/92*

According to a news item in Financial Express, March 9, 1994, Gilt Pack Ltd has gone for a techno-financial collaboration with Samjong Ind. Co Ltd, South Korea to produce HDPE tarpaulines and jumbo bags. The company's present collaboration is also for the same product but the collaborator's name is Jin Woo Inc Ltd, South Korea.

**GLAXO INDIA LTD**  
**GLAXO GROUP LTD,UK**

*Date of Approval : 02/93*

Questionnaire received. The company's decision to restructure its pharmaceutical activity into strategic business units: Glaxo Pharma and Glaxo Allenbury earlier this year has revitalised its company's marketing thrust. (See press report on the company in Economic Times, 9 Feb. 1992)  
Equity hike. (raised to 51%)

**GLENAYRE ELECTRONICS INDIA PVT LTD**  
**GLENAYRE ELECTRONICS INC,USA**

*Date of Approval : 11/92*

Gleanayre Electronics Inc, USA with National Telecom India Ltd is setting up a joint venture to manufacture, market and service paging systems. Gleanayre would invest \$5 million in the new venture. This joint venture is coming-up at a time when the Department of Telecommunications (DOT) has issued provisional licences to 15 companies to operate paging services in 27 cities (See news item 'US Co forms paging systems Jt venture', Times of India, March 15, 1994)



**GODREJ & BOYCE MFG CO LTD**  
**GENERAL ELECTRIC CO,USA**

*Date of Approval : 01/92*

Questionnaire received. Godrej-GE is keen on buying the portable air-conditioners Aircommand Airtechnics Ltd will make at its Baroda plant and market them under the Godrej brandname. Godrej-GE had earlier entered into an agreement with Maharaja Appliances for marketing its washing machines under the Godrej label. Godrej-GE also has plans to manufacture air-conditioners on its own. (See company write-up in Business Standard, 17.2.94) Godrej & Boyce has tied-up with an Australian company Moldflow Pty to set-up a new software company to be called Geometric Software Services to offer services in the area of computer aided design and manufacturing. (See company write-up in Business World, 23 Feb.-8 MAR. 1994)

**GOETZE (INDIA) LTD**  
**NANZ INDIA KG,GERMANY**

*Date of Approval : 10/92*

There is another collaboration of Nanz Food Products Ltd with Nanz India Kg, Germany.

**GREAVES COTTON & CO LTD**  
**FORNEY INTERNATIONAL INC,USA**

*Date of Approval : 12/91*

Questionnaire received.

**GREAVES COTTON & CO LTD**  
**MGO TECHNOCHIM,RUSSIA**

*Date of Approval : 05/92*

This project was a joint venture between Greaves Cotton & Co ltd, Rajasthan State Industrial Development and Invt Corp Ltd and MGO Technochim and Plastpererabotka of Russia. Rajasthan Polymers & Resins was incorporated for this purpose. The plant was to be located in Ambaji industrial area in rajasthan. The foundation stone was laid in November 1992. (See "Greaves Cotton ties up with Russian firm" in Business & Political Observer dated November 17, 1992.)

**GREAVES FOSECO LTD**  
**FOSECO PLC,UK**

*Date of Approval : 04/93*

Prospectus issued. This is a three-decade joint venture with Grease and Foseco holding 50% each. Greaves will be disinvesting its stake while Foseco will be increasing its stake to 51%. The company will be known as Foseco India will be part of the Burmah Castrol group of UK. (See company write-up in Business India, November, 8-21 1993)

**GUINDY MACHINE TOOLS LTD**  
**NG SAY KAY/IVY HO,SINGAPORE**

*Date of Approval : 07/93*

According to Indian partner, there is no foreign collaboration but two foreign nationals invested Rs. 6 lakhs in equity.

**GUJARAT AMBUJA CEMENTS LTD**  
**ONODA ENGG & CONSULTING,UK**

*Date of Approval : 11/92*

Both the parties responded to the questionnaire.

**GUJARAT GUARDIAN LTD**  
**GUARDIAN INDUSTRIES CORPN,USA**

*Date of Approval : 09/92*

Gujarat Guardian Ltd has been promoted by Modi Rubber Ltd, GMDC, and GACL with technical and financial collaboration from Guardian International Corpn., a subsidiary of Guardian Industries Corpn, USA for the manufacture of float glass near Ankleshwar, Gujarat. (See company advt. for recruitment, Hindustan Times, May 29, 1993) Gujarat Guardian Ltd. has set up the first float glass mirror plant called 'Modiguard' mirror. There is no mention about the collaboration in one their press reports in Observer of Business and Politics, 18th Feb. 1994. Equity hike. (raised to 50%)

**GUJARAT HI-REL CONTROLS LTD**  
**CYBEREX INC,USA**

*Date of Approval : 04/92*

Questionnaire received.

**GVK INDUSTRIES LTD** *Date of Approval : 04/93*  
**NRI,NRI**  
GVK Industries Ltd is tying-up with Southern Co-generation Inc., USA for taking on power projects in various states. The company is negotiating for both financial and technical collaboration. (See press report on the company in Financial Express, 21 January, 1993)

**HANSAFLON PLASTO CHEM LTD** *Date of Approval : 09/91*  
**ECKARD ZUDCH GMBH & CO,GERMANY**  
Prospectus issued.

**HARYANA LEATHER CHEMICALS LTD** *Date of Approval : 12/91*  
**ICAP INDUSTRIAL CHIMICA SRL,ITALY**  
Questionnaire received.

**HAVELL'S INDIA LTD** *Date of Approval : 02/93*  
**CHRISTIAN GAYER GMBH & CO,GERMANY**  
Prospectus issued.

**HAVELOCK LEASING & FINANCE LTD** *Date of Approval : 09/91*  
**CITIBANK OVERSEAS INVESTMENT CORPN,USA**  
Citicorp Securities prospectus issued.

**HELIPLASTICS LTD** *Date of Approval : 12/91*  
**KWH PIPES LTD,FINLAND**  
KWH Helioplastics (India) Ltd advertised that it was formed as a result of the collaboration between Helioplastics Ltd (of the Navabharat/Beardsell group) and KWH Pipe Group of Finland and Finnfund. The reported orders from Madras Refineries and a World Bank project suggest that the company has commenced its operations. See Economic Times dated December 6, 1993.

**HET DEVISCH PVT LTD** *Date of Approval : 06/92*  
**DEUTSCH LTD,UK**  
This is a joint venture between the Bangalore based Hindustan Electro Technology (HET) Pvt Ltd and Deutsch of UK. The project was to be located in Peenya Industrial Area. The foreign company would have 51% equity. (See "HET ties up with UK firm", Financial Express, November 29, 1992).

**HIGH TECH PLAST CONTAINERS (I) LTD** *Date of Approval : 02/92*  
**FLAMEGRACE LTD,UK**  
Prospectus issued.

**HIGH VALUE HORTICULTURE INDIA PVT LTD** *Date of Approval : 02/93*  
**HIGH VALUE HORTICULTURE PLC,UK**  
The Indian company is probably promoted by VST Industries, because VST Industries earlier collaborated with High Value Horticulture Plc, UK. (See 'VST Ind diversifying into farm products', Economic Times, March 9, 1994)

**HILTON RUBBERS LTD** *Date of Approval : 09/92*  
**ROULUNDS FABRIKER A/S FABRIKER (KONCERN),DENMARK**  
Questionnaire received.

**HINDITRON SCHILLER MEDICAL INSTRUMENTS LTD** *Date of Approval : 01/93*  
**SCHILLER AG,SWITZERLAND**  
Hinditron Schiller Medical Instruments Ltd (HSMIL) is a subsidiary of Hinditron Informatics Ltd. (See news item 'Hinditron grows on diversified business base', Dateline Business, Oct. 22, 1993)

**HINDITRON TEKTRONIX INSTRUMENTS LTD** *Date of Approval : 08/92*  
**TEKTRONIX INC,USA**  
Prospectus issued.

**HINDUSTAN AERONAUTICS LTD***Date of Approval : 07/92***BRITISH AEROSPACE DEFENCE LTD,UK**

Questionnaire received. Unit Trust of India is likely to acquire 11 % stake in BAeHAL Software Pvt Ltd, a joint venture between Hindustan Aeronautics Ltd with 49% stake and British Aerospace, UK with 40 %. (See 'UTI may buy into BAeHAL Software', Economic Times, March 12, 1994)

**HINDUSTAN MOTORS LTD***Date of Approval : 02/92***GENERAL MOTORS CORPN,USA**

It is 30:30 joint venture between Hindustan Motors Ltd and General Motor Corpn, USA to make passenger cars and commercial vehicles at Baroda. To meet the foreign exchange requirement HM would enter a buy-back arrangement under which it will export car components to GM. (See news item in Business Standard, November 4, 1992)

**HOSCH EQUIP (INDIA) LTD***Date of Approval : /91***HOSCH (GB) LTD,UK**

Questionnaire received. There seems to be repetition. The other approved collaborations are:

**HOTLINE GLASS LTD***Date of Approval : 11/92***PICVUE ELECTRONICS LTD,TAIWAN**

Prospectus issued.

**HSR BUILDERS PVT LTD***Date of Approval : 04/92***ESKIN SA,GERMANY**

The letter says that the approved project has been abandoned.

**HUGHES SOFTWARE SYSTEMS PVT LTD***Date of Approval : 03/92***HUGHES NETWORK SYSTEMS INC,USA**

100 per cent subsidiary of Hughes Network Systems, USA incorporated on Dec. 30, 1991. (ET, 31.1.1994)

**HUKUMCHAND JUTE & INDUSTRIES LTD***Date of Approval : 10/92***AGIP PETROLI,NETHERLANDS**

Questionnaire received.

**HYDERABAD LAMPS LTD***Date of Approval : 11/92***VOLTARC TECHNOLOGIES INC,USA**

Questionnaire received.

**IBP CO LTD***Date of Approval : 06/93***CALTEX OIL CORPN DELAWARE,USA**

The proposed joint venture may be formed as IBP Caltex Ltd. (See IBP advt. in Business India, 14-27, February 1994)

**IMX EXPORTS PVT LTD***Date of Approval : 06/93***MEXX FAR EAST LTD,NRI**

Questionnaire received.

**INCAP CAPACITORS LTD***Date of Approval : 01/92***LELON ELETRONIC CORP,TAIWAN**

Prospectus issued.

**INCORPORATED DAUB VERHOEVEN LTD***Date of Approval : /91***DAUB VERHOEVEN BV,NETHERLANDS**

Questionnaire received. It is a joint venture between Incorporated Engineers Ltd and Daub Verhoeven BV, Netherlands to manufacture bakery machinery. The collaboration is for both technical and financial. (See news item in Financial Express, January 4, 1992)

**INCORPORATED HOTWORK LEYLAND LTD**  
**HOTWORK LEYLEND LTD,UK**

*Date of Approval : 12/91*

Questionnaire received. The company is joint venture between Incorporated Engineers Ltd and Hotwork Leyland Ltd for refinery dryout and preheating. (See news item in Financial Express, January 4, 1992)

**INDCHEM NERA PVT LTD**  
**ABB NERA,NORWAY**

*Date of Approval : 07/92*

Indchem belongs to the Sanmar group and the foreign ollaborator is a part of the ABB group. The JV's factory was coming up at Perungudi, near Madras. The turn over of the company was projected to reach Rs. 50 crores within 5 five years. Sanmar and Nera would subscribe to 40% each of the Rs. 2.5 crore equity. The remaining 20 percent contribution was yet to be decided. ("Indchem ties up with ABB co for radio transmission systems", Business Standard, December 4, 1992).

**INDIA DROSSBACH LTD**  
**DROSSBACH GMBH,GERMANY**

*Date of Approval : 10/92*

Questionnaire received.

**INDIA PHOTOGRAPHIC CO LTD**  
**KODAK INC,UK**

*Date of Approval : 06/92*

Equity raised to 51%.

**INDIAN SHAVING PRODUCTS LTD**  
**GILLETTE CO,USA**

*Date of Approval : 03/92*

Gillette has taken a 49 per cent stake in the Hyderabad based NVI Engineering, a Harbanslal Malhotra & Sons Group company. (See 'Gillette-Malhotras: Quiet takeover', Business India, 14-27, 1994)

**INDIAN TELECOM LTD**  
**OTC INTL LTD,AUSTRALIA**

*Date of Approval : 10/92*

The foreign collaborator informed that the project is awaiting the Supreme Court verdict on grant of licence.

**INDICARB LTD**  
**PLANSEE TIZIT,AUSTRIA**

*Date of Approval : 11/91*

According to Indian partner, the proposed collaboration is off.

**INDO AMERICAN OPTICS LTD**  
**IOL INTL INC,USA**

*Date of Approval : 03/92*

Prospectus issued.

**INDO AMERICAN OPTICS LTD**  
**IOL INTERNATIONAL INC,USA**

*Date of Approval : 05/92*

Possibly a duplicate entry.

**INDO FLOGATES LTD**  
**FLOGATES LTD,UK**

*Date of Approval : 03/93*

The technology from Floatgates, UK is designed for injection of various re-agents in the form of powder and gasses for pre-treatment. The other collaborators of the company are KSR International, UK; Magneco/Metrel, USA. The company is also sole selling agent of IFGL Refractories Ltd. promoted by Indo Flogates. Other equity participants in IFGL Refractories Ltd. are Harima Ceramic Co. Ltd, Japan (2%), Nissho Iwai Corpn, Japan (7%), Second India Investment Fund BV, Netherlands (5%), International Finance Corpn. (15%). (See company advt. in Economic Times, January 14, 1994 and Economic Times, March 5, 1994)

**INDO FRENCH BIOTECH ENTERPRISES LTD  
RICHTER SA, FRANCE**

*Date of Approval : 02/93*

Indo-French Biotech has been promoted by Ganesh Valley Agro Industries. The grape cultivation project of the company was planned to be set up in Nasik, Maharashtra. Richter would take up 24 percent of the company's equity as also agree to buy 100 per cent of the production. The project was estimated to cost Rs. 30 crores. See "Indo-French Biotech ropes in Richter for vine yard", in Business Standard November 14, 1992.

**INDO MAXWELL LTD  
DEG DEUTSCHE INVESTITIONS-UND GMBH, GERMANY**

*Date of Approval : 02/93*

Prospectus issued.

**INDO RAMA SYNTHETICS (INDIA) LTD  
M L LOHIA AND A.P. LOHIA, THAILAND**

*Date of Approval : 11/92*

Indo Rama group has manufacturing plants in Indonesia, Thailand, Nepal and Sri Lanka in the field of textiles, petro-chemicals, steel, rubber and agro-based chemicals. (See 'Indo Rama Synthetics ties up with Du Pont', Oberserver of Business & Politics, March 12, 1993)

**INDO-DUTCH PROTEINS LTD  
NEDERLANDSE INDUSTRIE VAN EIPRODUKTEN, NETHERLANDS**

*Date of Approval : 04/92*

The foreign collaborator has agreed for technology transfer, equity participation and marketing of the products for seven years. The joint venture company is coming-up near Hyderabad at a cost of Rs.12 crores for setting up a multi-product egg processing plant. S.C. Reddy is one of the promoters of this company. (See company briefs in Economic Times, March 5, 1994)

**INDOCAN CHEMICAL SYSTEMS PVT LTD  
PEEKAY HOLDINGS LTD, CANADA**

*Date of Approval : 04/93*

The company is in operation for the last ten years according to Company's advertisement in Business India, 8-21 November, 1993. There is no mention about the Indocan Chemical Systems Pvt Ltd collaboration with Canadian company in the Indocan advertisement on its completion of 10 years in business in Economic Times, September 11, 1993.

**INDOCAN ENGINEERING SYSTEMS PVT LTD  
PEEKAY HOLDINGS LTD, CANADA**

*Date of Approval : 03/93*

It has an exclusive licencing/collaboration agreement with Nippon Rensui Co, (a wholly owned subsidiary of Mitsubishi Kasei Corpn, Japan) also. (BI, 8-21 Nov. 93)

**INDOMAG STEEL TECHNOLOGY PVT LTD  
MANNESMANN DEMAG AG, GERMANY**

*Date of Approval : 04/93*

Questionnaire received.

**INNOVATIVE MARINE FOODS LTD  
FARMLAND INDUSTRIES INC & TRANSNATIONAL ENTERPRISES INC., USA & CANADA**

*Date of Approval : 09/91*

Prospectus issued. The company belongs to Amalgam Enterprise Group. Its factory is at Ezhupunna near Kochi to process block frozen shrimp, squid, cuttle-fish and crab. It plans to set-up two more units at Bombay and Pamarru (Andhra Pradesh). 27% of equity base is held by five foreign companies of which 11% is held by Mitsubishi of Japan. The other four participants in the equity are Gourmet Club, USA; Saudi Fisheries, Saudi Arabia; Ristic GmbH & Co., Germany and Sea Products SRL, Italy. Their equity participation in the company commensurate with buy-back agreements. The news item does not list the Farmland Industries Inc, USA and the Canadian collaboration. (See news item 'Marine lauches new unit', The Hindu Business Line, March 3, 1994)

**INTERNATIONAL CATALYSTS LTD  
PETRON INTERNATIONAL INC, USA**

*Date of Approval : /91*

Prospectus issued. Questionnaire received.

**INTERNATIONAL INDOFAB FILTERS PVT LTD** *Date of Approval : /91*  
**INTERNORMEN FILTER GMBH,GERMANY**  
Questionnaire received.

**INTERNATIONAL PETROLEUM (BVI)** *Date of Approval : 08/92*  
**INTERNATIONAL PETROLEUM,SWITZERLAND**  
(See 'Parmar proposal being re-valuated', Financial Express, October 5, 1993 ---  
Clipping No. 25, Oct. 93)

**INTERNATIONAL POLYPLAST LTD** *Date of Approval : 11/92*  
**NRG CHEMICAL ENGINEERING PVT LTD,UK**  
Questionnaire received

**IOL LTD** *Date of Approval : 01/93*  
**BRITISH OXYGEN CORPN,UK**  
Questionnaire received. Equity raised to 51%.

**IXL COMMUNICATIONS & SERVICES LTD** *Date of Approval : 08/92*  
**TELECOM MALAYSIA BERHAD IBUPEJABT TELECO,MALAYSIA**  
Telecom Malaysia Berhad also joined hands with Usha Martin Industries Ltd to form  
Usha Martin Telekom Ltd for the purpose of providing telecommunication services.  
(See advt. of Usha Martin Telekom Ltd for appointment in Times of India, Feb.,  
12, 1994)

**JAMSHRI RANJISINGJI SPG & WVG MILLS CO LTD** *Date of Approval : 04/93*  
**NRI,NRI**  
Prospectus issued.

**JAPAN AIRLINES CO LTD** *Date of Approval : 09/92*  
**JAPAN AIRLINES CO LTD,JAPAN**  
Japanese Airlines is reported to be using its Indian subsidiary to gain a  
foothold in Bhutan. The subsidiary was also reported to being used for the  
air-lioner's re-entry into India. See Economic Times dated February 18, 1993.

**JAY RAPID ROLLER LTD** *Date of Approval : /91*  
**RAPID ROLLER PTY LTD,AUSTRALIA**  
Prospectus issued.  
Jay Rapid is entering into a collaboration agreement with Lura Flex Gmbh, Germany  
for manufacture of spreader rolls. (See news item in Business Standard, March 5,  
1994)  
Jay Rapid Roller Ltd has been appointed as the sole representative of Beloit  
Manhattan of the US for sale of all its products in India. Beloit has shown  
interest in picking-up an equity stake in the Indian company. Rapid Roller,  
Australia has 51% stake in the joint venture. (See news item in Business  
Standard, March 4, 1994)

**JERSEY INDIA LTD** *Date of Approval : 07/93*  
**TEXCOL LTD,UK**  
Going for public issue. Texcol's participation will be to the extent of Rs. 1.55  
cr.

**JMRPCO LTD** *Date of Approval : 01/92*  
**NRI,NRI**  
A company by name Britco Foods was formed by Coca Cola and Britannina were to  
have two divisions; one for processing food products and the other for beverage  
blending. Both the units were to come up in Pune. The company advertised the  
posts of project and finance managers in Business India April 13-26, 1992.  
However, since Coca-Cola has joined hands with Parles and Mr. Pillai himself  
leaving Britannia, this collaboration can be treated to have been abandoned.

**JORD ENGINEERS INDIA LTD**

*Date of Approval : 10/91*

**JORD ENGINEERS PVT LTD,AUSTRALIA**

Prospectus issued.

Jord Engineers in collaboration with W.E. Moller of Australia plans to introduce mechanical sugarcane harvesters; and in collaboration with A.S. Scanmec, Norway the company will make rotary vacuum disc filters. (See company write-up at the time of public issue in Business India, March 1-14, 1993)

**JUMBO BAG LTD**

*Date of Approval : 06/92*

**IBC BULK CONTAINERS LTD,UK**

Questionnaire received. Jumbo Bags Ltd., is a Bliss Group company. Both questionnaire and company's write-up in Financial Express (21 Feb. 1994) indicates the collaboration is technical even though the approval is for financial collaboration. Jumbo Bags has also tied-up its marketing operations with Langston Inc of USA and Sidian Trading Co. of UK to service the American, South-East Asian and African markets. Bliss group has also collaborated with Bagfiller Ltd of UK to set up a pilot plant for the manufacture of jumbo bag filling machines.

**KAILASH MOSAR IND LTD**

*Date of Approval : 02/93*

**MOSAR AG, SWITZERLAND**

The joint venture will have an equity of Rs. 1 crore with Moser AG, Switzerland participating to the extent of 40% in the equity to manufacture garbage compactors and refuse collectors. About 50% of Moser's production will be shifted to India. Kailash Moser Industries will hawk Moser's range in the domestic and export market. Kailash Moser Inds. Ltd belongs to J.N. Group. (See 'JN group ties up with Swiss firm', Observer of Business & Politics, February 20, 1993)

**KAREEMS SPUN SILK LTD**

*Date of Approval : 06/93*

**NRI,NRI**

Prospectus has been issued. Copy not available with us.

**KARNATAKA CRYSTALS LTD**

*Date of Approval : 03/93*

**SOL WATCH ENTERPRISE CO LTD,TAIWAN**

Questionnaire received.

**KARNATAKA HYBRID DEVIS LTD**

*Date of Approval : 02/93*

**MII INTL INC,USA**

Indian collaborator is probably Karnataka Hybrid Micro Devices Ltd as the address is the same. The foreign collaborator is probably Micro Technology International, USA. The Indian collaborator is a Joint Sector company with KSIIDC. (See Economic Times, January 26, 1994)

**KB HITECH BUILDING MATERIAL LTD**

*Date of Approval : 03/93*

**ENTINICKLINGS UND GESELLSCHAFT MBH,AUSTRIA**

Questionnaire received.

**KEITH CERAMIC INDIA LTD**

*Date of Approval : 01/93*

**KEITH CERAMIC MATERIALS LTD,UK**

Questionnaire received.

**KELLOGG INDIA LTD**

*Date of Approval : /91*

**KELLOGG CO,USA**

Kellogg, USA will have 51 per cent stake. The company has already acquired land and imported machinery for setting up its plant in Taloja, Maharashtra. The company proposes to market its range of ready-to-eat cereal foods made from maize, wheat, rice, barley, oats etc. (Press report in Business India, Nov. 8-21, 1993)

**KEYSTONE VALVES (I) LTD** *Date of Approval : 02/92*  
**KEYSTONE INC,USA**  
The collaborator plans to hike its equity to 100 per cent from the present 79 per cent. (Pioneer, 14.2.94)  
The Indian operations, Multi Sarasin Valves Pvt Ltd, was started in 1981 to manufacture STARFLOW Safety Relief Valves. The operation became a part of Keystone Group in 1989 and was rechristened Keystone Valves India Pvt Ltd. We are responsible for marketing all Keystone Intl. Inc. Group products in India. (See Keystone company profile supplied during WISITEX-94)

**KINETIC HONDA MOTORS LTD** *Date of Approval : 12/92*  
**HONDA MOTOR CO,JAPAN**  
Equity raised to 50.92%.

**KIRLOSKAR SILK INDS LTD** *Date of Approval : 09/92*  
**DAIYA TRADING CO LTD,JAPAN**  
Questionnaire received.

**KOLUTHARA EXPORTS LTD** *Date of Approval : 06/93*  
**NRI,NRI**  
Prospectus of the company (issue dated 5 October 1993) shows that only Rs. 75.00 lakhs was reserved as preferential (not firm) allotment to NRIs.

**KONE ELEVATOR INDIA LTD (BEACM KONE LTD)** *Date of Approval : 10/91*  
**KONE OY & FINNISH FUND FOR IND DEV CORP,FINLAND**  
Questionnaire received.

**KORES INDIA LTD** *Date of Approval : 01/92*  
**VBM CORPN,USA**  
A recent advertisement of the company is not mentioning anything about the collaboration.

**KOTAK MAHINDRA FINANCE LTD** *Date of Approval : 03/92*  
**INTERNATIONAL FINANCE CORPN,USA**  
---- news item October 15, 1992 Times of India ----

**KOTHARI BROWN ENGG INDIA PVT LTD** *Date of Approval : 09/92*  
**R J BROWN & ASSOCIATES (FAR EAST)PTE LTD,SINGAPORE**  
The joint venture (between Kothari group of companies and R.J. Brown & Associates (Far East) Pte. Ltd, Singapore alongwith Kvaengner Engg, Norway) had advertised the posts of project managers and engineers in Business India, Apr. 27-May 10, 1992.

**LACTO PROTEIN INDIA LTD** *Date of Approval : 09/92*  
**SEPPO RALLI DY,FINLAND**  
A newspaper report describes the foreign collaborator's name as Valio Engg Ltd., a subsidiary of Valio Ltd. The project cost was Rs. 27 crores. The Indian promoter is the Amar Nath Goyal Group. The company was expected to start commercial production during the second half of 1993. The foreign equity including NRI share was reported to be 35%. The project was being set up at Kosi Kalan, Dist. Mathura, U.P. ("Valio Engineering Ltd", Financial Express, February 14,1992).

**LARSEN & TOUBRO LTD** *Date of Approval : 12/91*  
**NIRO ATOMIZER A/S (NIRO),DENMARK**  
Applications were invited by Larsen & Toubro Ltd for its joint venture with Niro AS, Denmark in Business India, May 11-24 1992. The proposed joint venture may form a new company as L&T Niro Ltd.

**LAVANYA ELECTRONICS PVT LTD** *Date of Approval : 06/93*  
**ELECTRONIC APPLICATIONS LTD,UK**  
Questionnaire received.



**LAVRIDS KNUDSEN MASKINFABRIK (INDIA) LTD**  
**LAVRIDS KNUDSEN MASKINFABRIK A/S, DENMARK**  
Questionnaire received.

*Date of Approval : 06/92*

**LDC INDIA PVT LTD**  
**LIQUID DEVT CO & THEIR ASSOCIATES, USA**

*Date of Approval : 06/92*

The joint venture is a 100% EOU between Gulshan Sugars & Chmeicals and Liquid Development Co. Inc., USA named as LDC India Pvt Ltd is located in Muzzafarnagar in UP for manufacturing brush electroplating chemicals. The foreign collaborator will have 51% equity participation. (See 'Gulshan Sugars ties up with US co', Business Standard, January 8, 1993)

**LIEBERT SYSTEMS SUPPORT EQUIP PVT LTD**  
**LIEBERT CORPN, USA**

*Date of Approval : 03/93*

It is a joint venture between Liebert Corpn, USA (Emerson Electric Group company) and Tatas. Address of National Radio & Electronics Co Ltd (a Tata company) Works No. 2 is same as that of this company. This company is being called as Tata Liebert Ltd. The company has commenced business in July 1993. Tata Liebert Ltd will also build on existing UPS business of NELCO, which has been acquired by the joint venture company. (See 'National Radio & Electronics Co Ltd' write-up in Bombay Stock Exchange Official Directory, Volume 11 and 'Partner in Progress', a booklet issued on the eve of WISITEX-94 by the USA Pavilion, p. 16)

**LIPTON INDIA LTD**  
**UNILON AG, SWITZERLAND**

*Date of Approval : 12/92*

The company has been amalgamated with Brooke Bond India Ltd w.e.f. July 1, 1993. And the name has been changed to Brooke Bond Lipton India Ltd.

**LOTUS CHOCOLATE CO LTD**  
**SUNSHINE ALLIED INSTRUMENTS LTD, SINGAPORE**

*Date of Approval : 01/93*

Questionnaire received. Lotus Chocolate Co started commercial production for international market. Sunshine markets 50% of LCCL production in the international market under the 'Lotus' trademark. Of the 50% in domestic market, 30% will be sold under the 'Lotus' trademark and rest of the 20% under the 'Kandos' trademark. Sunshine is investing Rs.308 lakhs towards equity. (See 'Singapore Co to enter chocolate market', Business Standard, May 3, 1993)

**MADHU PATEL (PROMOTER)**  
**WIDECOM R&D INC, CANADA**

*Date of Approval : /91*

Prospectus issued.

**MADURA COATS LTD**  
**J & P COATS LTD, UK**

*Date of Approval : 09/92*

The name of the company has been changed to Coats Viyella India Ltd. (Hindustan Times, October 4, 1993)

**MAFATLAL CONSULTANCY SERVICES (I) LTD**  
**KEY POWER INC, USA**

*Date of Approval : 08/92*

The Indian partner mentioned that the project has been postponed indefinitely.

**MAGUNTA AQUAFARMS LTD**  
**NRI, NRI**

*Date of Approval : 02/93*

Magunta Aqua Farms Ltd (MAFL) is a 100% EOU promoted by Balaji Group companies. MAFL is being set up in technical collaboration with CP Group of Thailand, near Nellore in Andhra Pradesh at a cost Rs. 70 crores. (See the company's Business India appointments, May 1993)

**MAHINDRA UGINE STEEL CO LTD**  
**MATHEWS CONTRACTING INC, CANADA**

*Date of Approval : 06/92*

Matthews Contracting, Canada is a company owned by the family of former Ontario premier, David Peterson. The proposed joint venture is to be called Mahindra Matthews Construction Co Ltd. The new company will bid for large civil works in India and its neighbouring countries. (See 'Newscast', Business India, December 6-19, 1993)

**MANALI PETROCHEMICALS LTD**

*Date of Approval : 04/92*

**mitsui toatsu chemical inc, JAPAN**

The Indian collaborator had informed that the collaboration is being reworked.

**MARDIA EXTRUSIONS LTD**

*Date of Approval : 10/92*

**SAMYOUNG JUNG KWAN CO LTD, SOUTH KOREA**

Probably the name of the joint venture company of Mardia Extrusion Ltd and Samyoung Jung Kwan Co Ltd, Korea would be Mardia Samyoung Capillary Tubes Co Ltd to manufacture thin walled small diameter brass, copper alloy and stainless steel tubes, video cassette rollers. The collaborator in addition to financial stake is buying substantial part of the production. The company belongs to Surendra Mardia Group. (See 'Surendra Mardia Group' advt. in Economic Times, January 17, 1994) 25% equity participation and 60% buy-back by collaborators.

**MARS INCORPORATED**

*Date of Approval : 07/93*

**MARS INCORPORATED, USA**

Questionnaire received.

**MARUTI UDYOG LTD**

*Date of Approval : 10/91*

**FORD MOTOR COMPANY USA & SUMITOMO CORPN, JAPAN, USA & JAPAN**

Climate Systems India Ltd is the joint venture between Maruti Udyog Ltd, Ford's Climate Control Division and Sumitomo Corpn, Japan for the manufacture of aluminium radiators. The Rs. 30 crore plant of the company was inaugurated at Bhiwadi in Rajasthan in October, 1993. In the joint venture Maruti Udyog Ltd has a 39% share, Ford holds 56% and Sumitomo Corpn. the remaining 5% of the promoters' equity, which totals Rs. 17 crore. (See 'Maruti Ford venture to make radiators', Observer of Business & Politics, October 2, 1993)

**MARUTI UDYOG LTD**

*Date of Approval : 01/92*

**SUZUKI MOTOR CORPORATION, JAPAN**

Equity hike.

**MAX INDIA LTD**

*Date of Approval : 12/92*

**GIST BROCADES INTERNATIONAL BV, NETHERLANDS**

Max India Ltd. along with Royal Gist Brocades NV of the Netherlands floated a 50:50 joint venture called Max-GB Ltd. The product profile of the company include 7-ACA and Penicillin-G. (See the company advt. for recruitments in Times of India, 11.12.93)

Max India Ltd. with COMSAT Corpn. USA has floated a 50-50 joint venture company called COMSAT MAX Pvt. Ltd. COMSAT MAX Pvt. Ltd. is a multi-product, multi-business enterprise with interests in telecommunication services, electronics, bulk drugs and pharmaceuticals. (See COMSAT Max Pvt. Ltd. appointments advt.)

**MAZDA CORLL REYNOLDS PROCESS SYS PVT LTD**

*Date of Approval : 04/93*

**CROLL REYNOLDS INTL INC, USA**

Questionnaire received.

**MECAIR INDIA PVT LTD**

*Date of Approval : /91*

**MECAIR SPA, ITALY**

Questionnaire received.

**MEDTRONIC INTERNATIONAL LTD**

*Date of Approval : 03/93*

**MEDRONIC INTERNATIONAL LTD, HONG KONG**

The Indian liaison office of Medtronic International, USA advertised for Product Manager to be based in Baroda. See the advt in BI May 25-June 7, 1992.

**MERCURI GOLDMANN (I) PVT LTD**

*Date of Approval : 06/92*

**MERCURI INTERNATIONAL, SWEDEN**

It is a sales and service management development company. (Business India, May 1993)

**MICHELL BEARINGS (I) PVT LTD**  
**VICKERS PLC,UK**

*Date of Approval : 07/93*

Questionnaire received.

**MICRODISK (INDIA) LTD**  
**SL TECH GROUP,USA**

*Date of Approval : 10/92*

The US company will have 42% (Rs. 36.50 million) equity stake in the company for producing 3.5 inch floppy disks. (See '102 foreign tie-ups approved in Sep-Oct '92', Observer of Business & Politics, January 16. 1993)

**MIDEAST INTEGRATED STEELS LTD**  
**CHINA METALLURGICAL IMPORTS & EXPORTS CO,CHINA**

*Date of Approval : 03/93*

From the prospectus of Mideast India Ltd (issue dated 10 May 1993) the China Metallurgical Import & Export Corp (CMIEC) is investing Rs. 30.00 crores in the equity of the company. It seems the other approval is also related to this project only.

**MILES INDIA LTD**  
**MILES INDL MANAGEMENT INC,USA**

*Date of Approval : 01/92*

The letter from the Indian partner says that the approved collaboration has not been implemented yet. The reason is that its foreign collaborator is awaiting the introduction of further policy measures and simplifications.

**MODERN WOOLLENS LTD**  
**ASIAN FINANCE & INVESTMENT CORP LTD,PHILLIPINES**

*Date of Approval : 06/93*

Modern Woollen has joined hands with Ashtons, UK (Courtaulds group company). Its earlier tie-up with Byttebier Michels SA, Belgium has fallen through. Agreement details are not yet finalised. (See press report on the company in Business Standard, December 30, 1993)

**MODI MCKENZIE METHANE LTD**  
**MEKENZINE METHANE CORPN,USA**

*Date of Approval : 12/92*

It took Y.K. Modi more than a year to convince the government that they should be allowed to take the risk. In the initial stage, the company expects to invest Rs. 10 crores but if exploration proves to be fruitful the investments could go up to as much Rs. 200 crore to Rs. 300 crore. (See 'Rs. 100 cr YK Modi acquisition plan' in Business Standard, 22.2.94)

**MONTARI INDUSTRIES LTD**  
**BALLY INTL LTD,SWITZERLAND**

*Date of Approval : 12/91*

Prospectus issued.

**MOTHERSON SUMI SYSTEMS LTD**  
**WILHELM PUDENZ GMBH,GERMANY**

*Date of Approval : 09/91*

The joint venture company is known as Motherson Pudenz Fuses Ltd. This was incorporated in December 1991 and the production was expected to commence in January 1992. Project cost: Rs. 1.5 crores. ("Motherson Pudenz to make automobile fuses", Busines & Political Observer, December 14,1992).  
Questionnaire received.

**MOTHERSON SUMI SYSTEMS LTD**  
**SUMITOMO WIRING SYSTEMS LTD,JAPAN**

*Date of Approval : 12/92*

Questionnaire received.

**MOTOROLA BLUE STAR LTD**  
**MOTOROLA INTL. DEV. CORPN,USA**

*Date of Approval : 05/92*

Blue Star has disinvested its 40% stake in favour of Motorola. Arya Communications has 20% equity stake in this company. (See 'Blue Star disinvests stake in MBS', Financial Express, August 2, 1992)  
Motorola Information Systems India Ltd is the new name after Motorola Codex increased its stake to 80% (Dataquest, July 1993)  
Equity hike. (40% to 51%)

**MOTOROLA INDIA LTD** *Date of Approval : 02/92*  
**MOTOROLA INTERNATIONAL CAPITAL CORPN,USA**  
 Seems to be a change in the name of the company to Motorola India Electronics Pvt Ltd. Recruitment has started. (See company advertisement Business India, Sep.-Dec. 1992).

**MOTOROLA SINGAPORE PTE LTD** *Date of Approval : 04/92*  
**MOTOROLA INTL DEV CORPN,USA**  
 Questionnaire received.

**MRIDUL NALWAYA** *Date of Approval : 03/92*  
**OPTICAL DISC MASTERING (ODM),NETHERLANDS**  
 Questionnaire received.

**MUDRA COMMUNICATIONS LTD** *Date of Approval : 04/92*  
**DDB NEEDHAM WORLDWIDE INC,USA**  
 Questionnaire received.

**MUGHAL ART PALACE PVT LTD** *Date of Approval : 06/92*  
**JEAN CHARLES CHAPPUES,FRANCE**  
 Questionnaire received.

**MUGHAL ART PALACE PVT LTD** *Date of Approval : 10/92*  
**J S CHOPPIUS,FRANCE**  
 Questionnaire received.

**MYSORE KIRLOSKAR LTD** *Date of Approval : 07/92*  
**SYNDER GENERAL CORP,USA**  
 The total project cost of the venture was estimated to be Rs. 17.00 crores and total equity will be Rs. 3.00 crores. Land was being acquired in the Bommasandra industrial area near Bangalore. ("Mysore Kirloskar ties up with U.S. firm", Hindu, February 11,1992).

**NAGARJUNA FARM PRODUCTS** *Date of Approval : 09/92*  
**DALSEM VECIAP BV,NETHERLANDS**  
 EOU for processing and canning mushrooms near Hyderabad. The scheme is estimated to cost Rs. 20 crore and be completed by late 1993. (See 'Food Processing Units', Business World, 10-23, February, 1993)

**NANZ FOOD PRODUCTS LTD** *Date of Approval : 07/93*  
**NANZ INDIA KG,GERMANY**  
 There is another collaboration of Goetz India Ltd with Nanz India Kg, Germany.

**NARAS AVIATION PVT LTD** *Date of Approval : 03/92*  
**NARAS AVIATION INC FAA,USA**  
 Naras Private Ltd was set up in the Madras Export Processing Zone five years ago at a cost of \$2 million. It employs a staff of 40. See "Naras Aviation plans chopper production for export market" in Economic Times dated December 16, 1993. N. Narayanan, an American expert of Indian origin is the promotor of the company. (Frontline, February 11, 1994)

**NATURAL SYNERGIES PVT LTD** *Date of Approval : 07/93*  
**NRI,NRI**  
 Natural Synergies Ltd is a collaborative venture between Zandu Pharmaceuticals, K. Natarajan group of companies and an NRI investor, trying out commercial production of orchids near Madras in Chengai-MGR district. The orchid seedlings have been imported from Bangkok Flowers, a Thailand company. The Thai company is providing technical know-how for the project. The farm was started in January 1993 but the commercial production begins by the end of 1995, since orchids take upto two years to reach flowering stage. (See 'Orchids set to bloom in Madras', The Hindu Business Line, March 3, 1994)

**NATURE REMEDIES PVT LTD** *Date of Approval : 11/92*  
**PAUL SWEENEY & OTHERS,AUSTRALIA**  
Questionnaire received.

**NEENA TRONICS INDUSTRIES PVT LTD** *Date of Approval : 11/92*  
**NRI,NRI**  
Questionnaire received.

**NEO SACK LTD** *Date of Approval : 11/92*  
**SUNGKWANG CHEM IND CO LTD,SOUTH KOREA**  
Prospectus issued.

**NESTLE INDIA LTD** *Date of Approval : 06/93*  
**NESTLE SA,SWITZERLAND**  
Equity hike case.

**NEYVELI LIGNITE CORPN LTD** *Date of Approval : 08/92*  
**ST POWERSYSTEMS INC,USA**  
The promotor of this project is Mr. Sharad Tak (NRI from US) of ST Power Systems Inc. ST Power Systems Inc. will be taking 40% equity stake in the new company - ST CMS Electric Co. - while his American collaborators CMS Energy Corpn will pitch in another 40%. NLC has shown interest in picking up five per cent holding as well. The equity participants include TNEB and IFC, the later having agreed to take a holding in principle. TF&M Services Corpn and Tak Communication Inc also belong to Mr. Tak. (Press report in Financial Express, Feb. 13, 1994) According to Congress, MP Shri P. Vallalperuman, Mr. Sharad Tak has sold majority of his business interest in ST Power Systems Inc. and has filed a petition under the Federal Law on January 3, 1991 in the US Bankruptcy Court. TNCC(I) president Ramamurthy says 400 acres of land has been allotted to Mr. Tak's firm at Rs.18000 per acre whereas the current price is Rs. 4 lakhs per acre. The project is estimated Rs. 1000 crore the NRI is bringing in only Rs. 94 crores says Ramamurthy. (See 'Private sector power project runs into major controversy', Business Standard Feb. 13, 1994)

**NICCO UCO FINANCIAL SERVICES LTD** *Date of Approval : 03/92*  
**INTERNATIONAL FINANCE CORPN,USA**  
Questionnaire received.

**NIPPON DENRO ISPAT LTD** *Date of Approval : 07/93*  
**ISPAT MEXICANA SA DE CV FRANCISCO,MEXICO**  
Foreign collabotor is reported to be a part of the ISPAT WORLDWIDE Group. (See the Group's Advertisement in BI, 6-19, Dec. 93)

**NIRMA PVT LTD** *Date of Approval : 12/91*  
**UOP INTER AMERICANA INC,USA**  
The company's prospectus (issue dated 1 February 1994) informs that Nirma Petrochemicals Ltd., incorporated to manufacture Linear Alkyl Benzene, is "not operational". This suggests that the approved collaboration project has not proceeded further.

**NTB BOWSMITH IRRIGATION LTD** *Date of Approval : 11/92*  
**BOWSMITH INC,USA**  
Questionnaire received.

**O/E/N CONNECTORS LTD** *Date of Approval : 12/92*  
**SOURIAU & CIE 145-147,FRANCE**  
Questionnaire received.

**OCEAN BOUNTY LTD** *Date of Approval : 11/92*  
**BLACK TIGER HOLDINGS LTD,UK**  
Questionnaire received.

**OCTANORM INDIA LTD** *Date of Approval : 10/92*  
**OCTANORM VERTRIEBS GMBH,GERMANY**  
Questionnaire received.

**OG SCHLUMBERGER ELE MGMT LTD** *Date of Approval : 04/93*  
**SCHLUMBERGER INDUSTRIES,FRANCE**  
Questionnaire received.

**OKS SPECIALITY LUBRICANTS (INDIA) PVT LTD** *Date of Approval : 03/92*  
**OKS SPEZIALSCHMIER STOFFEE,GERMANY**  
OKS is in this business for the last 5 years manufacturing high technology speciality lubricants, corrosion protection and maintenance products. (See Business World appointments 7-20 April, 1993) )

**ONWARD NOVEL SOFTWARE PVT LTD** *Date of Approval : 09/92*  
**NOVEL INC,USA**  
This is a 50:50 joint venture between Novell and Bombay based Onward Technologies Group company. ("Bombay firm sets up joint venture with Novell Inc", Economic Times, 23/11/1992).  
Onward Technology Group has been the country distributor of Novell products in India since 1991. (Dataquest, January 1993)

**ORACLE CORPORATION** *Date of Approval : 01/93*  
**ORACLE CORPN,USA**  
The prime objective of the Indian subsidiary Oracle Software India Pvt Ltd. will be to provide technical support as per Oracle's international standards, to Indian customers, alongwith other services like software solutions and consultancy in areas like CASE and Business Process Re-engineering. (See Oracle appointments advt. in Dataquest, August 1993)  
Oracle Corp holds 51% equity in Oracle India and the balance is with a US based NRI, a silent partner. (News Analysis, Dataquest, Nov. 1993)

**ORCHID CHEMICALS PHARMACEUTICALS** *Date of Approval : 02/93*  
**SINTO FARM,ITALY**  
Prospectus issued. Questionnaire received.

**ORDE TEXTILES LTD** *Date of Approval : 07/93*  
**NRI,NRI**  
Prospectus issued.

**ORISSA EXTRUSION LTD** *Date of Approval : 03/93*  
**HYDRO ALUMINIUM,NORWAY**  
Questionnaire received.

**PACE ELCOT AUTOMATION LTD** *Date of Approval : 02/92*  
**MARK SENSING (AUST) PTY LTD,AUSTRALIA**  
Prospectus issued.

**PACE INTERNATIONAL LTD** *Date of Approval : 01/93*  
**CONAGRA DRIED FRUIT & CO,USA**  
PACE belongs to KJP Group based in Quilon which dominates the cashew industry. Immediate thrust areas of PACE are plantations, aquaculture, processed foods and other export oriented industries. (Pace is going for appointments, Business India, March-May 1993)

**PAGORA FARMS PVT LTD** *Date of Approval : 03/93*  
**NRI,NRI**  
Questionnaire received.

**PAL REFINERY INDIA LTD**  
**NRI,NRI**

*Date of Approval : 10/92*

The company will soon be launching PALGAS(LPG) in A.P. Dealer network has already been established. The company had advertised the posts of senior marketing personnel. (See the company's advertisement in Hindu dated February 26, 1994, p. 21)

The cylinders for PAL Refinery are made by Hong Leong Cylinders Pte Ltd, Singapore and the LPG is filled at the bottling plants of Esso Singapore Pte Ltd, B.P. Singapore Pte Ltd and Summit Gas System Pte Ltd. (See 'PAL Refinery LPG supply from March', Business Standard, Feb. 17, 1994)

The financing of the project is as follows: promoters through NRIs and collaborator Kosan Crisplant, Denmark Rs. 90 crore, Indian public Rs. 25 crore, and Financial institutions and commercial borrowings and other liabilities Rs. 135 crores. (See 'Major Indo-Danish joint ventures', Economic Times, January 18, 1994)

**PARTHASARTHY N M**  
**MATERIALS TECHNOLOGY INC,USA**

*Date of Approval : 11/92*

Questionnaire received.

**PATSPIN INDIA LTD**  
**ITOCHU CORPN,JAPAN**

*Date of Approval : 04/93*

Prospectus issued.Patspin India Ltd. belongs to Patodia-GTN group. It is a 100% EOU and manufactures combed cotton yarn. (See news item in Business Standard March 2, 1994)

**PAWAN TALWAR**  
**FIGAIA SPA,ITALY**

*Date of Approval : 04/93*

Questionnaire received.

**PEARL ENGINEERING POLYMERS LTD**  
**METALGESELLSCHAFT AG,GERMANY**

*Date of Approval : 06/93*

Belongs to PPL Group of Chand Seth. Meallegesellachft AG, Germany and Asian Finance & Investment Corp, Singapore to participate in the equity to the tune of Rs. 4 crore and Rs. 13.95 crore respectively. Meallegesellachft AG is the parent of Zimmer AG. Pearl Engineering going for collaboration for the production of high molecular weight polymer chips. The company is having technical collaboration with Zimmer AG, Germany with an investment of Rs. 83 crore. The project is expected to go on stream by March, 1995. (See 'Pearl Polymers goes in for 108 cr expansion', Observer of Business and Politics, Feb. 12, 1994)

**PEICO ELECTRONICS & ELECTRICALS LTD**  
**NV PHILIPS GLOEILAMPENFABRIEKEN,NETHERLANDS**

*Date of Approval : 10/92*

Equity raised from 39.7% to 51%.

**PENNA STEELS LTD**  
**THOMAS & BETTS INC,USA**

*Date of Approval : 03/92*

A company has been set up by name Thomas & Betts Pennar Ltd. The plans were expected to be announced early 1994. Thomas & Betts is a U.S. Fortune 500 company. (See "Pennar Group heading for a Rs. 300 crore sales goal" and the group's advertisement in Fortune India, July 1-15, 1993).

**PENTAFOUR PRODUCTS LTD**  
**SAMSUNG CO LTD,SOUTH KOREA**

*Date of Approval : 06/92*

Press reports in the Financial Express (Feb. 19, 1994) and Hindustan Times (Feb. 19, 1994) do not mention about the collaboration with Samsung, South Korea. But it gives a number of other collaborations like the one with Nationwide Circuits of USA for a 100% EOU unit to manufacture copper clad laminations, tie-up with Solex Carburettors of France (owned by Magnetti Marelli of Italy) and soon tying up with York International, USA to manufacture airconditioner, refrigerator compressors.

**PEPPERL & FUCHS (INDIA) PVT LTD** *Date of Approval : 03/92*  
**PEPPERL & FUCHS GMBH,GERMANY**  
Questionnaire received.

**PEPSI FOODS LTD** *Date of Approval : 07/93*  
**PEPSICO INC,USA**

The proposed holding company would not, however, be allowed to fund the purchase of shares from Indian shareholders in Pepsi Foods Ltd (like Voltas Ltd and Punjab Agro Industries Ltd) and in the joint venture export oriented unit set up by Pepsi in Madras without the prior approval of the FIPB. The company would be getting in to areas like financial services and information technology in addition to soft drinks and processed foods. (See 'Pepsi to enter IT, financial services', Pioneer, Feb. 14, 1994)  
Equity increased to 91.04%.

**PFEIFFER INDIA PVT LTD** *Date of Approval : 06/93*  
**CHRISTIAN PFEIFFER MASCHINENFABRIK,GERMANY**  
Questionnaire received.

**PHILLIPS KILN SERVICES INDIA PVT LTD** *Date of Approval : 07/92*  
**PHILLIPS KILN SERVICES CO INC,USA**  
Questionnaire received.

**PHOENIX LAMP INDIA LTD** *Date of Approval : 08/91*  
**PHOENIX ELECTRIC CO & SOEI TSUSHO LTD,JAPAN**  
Prospectus issued. Questionnaire received.

**PHOTOPHONE INDUSTRIES INDIA LTD** *Date of Approval : 08/92*  
**POLAROID CORPN.,USA**  
Equity hike. (taken up)

**PIERRE CARDIN** *Date of Approval : 12/92*  
**PIERRE CARDIN,FRANCE**

The proposed shareholding pattern of Pierre Cardin Fashions Pvt Ltd., incorporated to implement the collaboration, is reported be: Pierre Cardin - 26%, SM Finance - 34%, Mr. Mukesh Kalmadi of the Sai Service Group and Ms. Anuradha Ruhil 20% each. The initial investment is estimated to be Rs. 25 crores with an equity component of Rs. 2.00 crores. Three factories were tied up for manufacturing Pierre Cardin range of fashion garments, perfumes and leather accessories. (See Economic Times dated November 23, 1993).

**PIZZA HUT INC** *Date of Approval : 07/93*  
**PIZZA HUT INC,USA**

The government will levy a 5% technical service fee on Pizza Hut International a 100% foreign owned subsidiary of Pepsi Co. The operations of the restaurants will be either forex-neutral or lead to net forex inflow. (See 'Pepsi Co fast food chains have to pay 5% technical fee', Business Standard, March 9, 1994)

**PLASTIBENDS (INDIA) LTD** *Date of Approval : 05/92*  
**COLLOIDS LTD,UK**  
Prospectus issued. Questionnaire received.

**POLYCOAT POWDERS LTD** *Date of Approval : 12/91*  
**VALSPAR INC.,USA**

It is a joint venture of Valspar Inc. USA and Goodlass Nerolac Paints Ltd. for powder coating business. (See advt. on the eve of Valspar chairman's visit to India, Hindustan Times, January 17, 1994)

**PREMIER AUTOMOBILES LTD** *Date of Approval : 07/93*  
**AUTOMOBILES PEUGEOT,FRANCE**

The final details of the agreement between PAL and Peugeot of France are being worked out. The two companies will have an equal shareholding. (See Press report, Times of India, 16.12.93.)



Peugeot plans to roll out its first car in India by the end of 1994. It is planning a petrol and diesel model of 1300 cc and 1700 cc respectively. (See Press Report in Business India, 9.5.93)

Peugeot of Italy is planning to tie-up with Pentafour group for the exclusive supply of carburettors, oil pumps, water and fuel pumps for its joint venture with Premier Automobiles Ltd. Pentafour is also planning to participate in the equity of the Peugeot-PAL joint venture. (See 'Peugeot venture may tie-up with Pentafour', Economic Times, January, 22, 1994)

**PROAGRO SEED CO LTD**

*Date of Approval : 06/93*

**DR S M SEHGAL,NRI**

Proagro Seed Co. and the Belgian firm PGS International NV have established Proagro PGS India to develop, produce and market mustard and hybrid vegetable seeds for the Asian market. The joint venture will be headquartered in Gurgaon. (See press report, Hindu, January 31, 1994)

**PROCTER & GAMBLE INDIA LTD**

*Date of Approval : 11/92*

**PROCTER & GAMBLE CO,USA**

P&G's parent invested Rs. 84 crores in the Indian outfit increasing the stake to 65%. The premium paid was to the tune of 52% of the market price. The Indian company had to pay heavily for the introduction of 'Ariel' and as result the company incurred losses of about Rs. 21 crores in 1992-93. P&G India has commenced discussions with employees union at its Thane plant for a voluntary retirement scheme. (See news item 'P&G plans voluntary retirement scheme', Business Line, March 5, 1994)

**PRUDHVI INDUSTRIES LTD**

*Date of Approval : 05/92*

**SMELT INTAG,CZECHOSLOVAKIA**

Questionnaire received.

**PSI DATA SYSTEMS LTD**

*Date of Approval : 10/92*

**BULL SA,FRANCE**

PSI Data Systems Ltd. earned a profit of Rs. 60 lakhs in the first six months of the current year after incurring losses in the previous years. (See Company Report in Computers Today, December 1993) Equity hike. (40% to 51%)

**PUNSUMI INDIA LTD**

*Date of Approval : 06/92*

**EITUWA TRADING CO LTD (EIWA BUSSAN K.K.),JAPAN**

It is unclear about the duplicacy of the two cases. Prospectus was issued in November 1992

**PUNSUMI INDIA LTD**

*Date of Approval : 11/92*

**BECROMAL SPA,ITALY**

3.20 lakh shares are reserved for its technical and financial collaborator Becromal SPA, Italy on repatriation basis. (See Financial Express, November 5, 1992)

**PUSHPA POLYMERS PVT LTD**

*Date of Approval : 03/92*

**POLYMERS TECH INC,USA**

Pushpa American Corpn., a NRI group, is setting up a 45000 tonne polyester project in Lakhigram, Gujarat. (See 'Newscast', Business India, Jan. 18-31 1993)

**QUEST INTERNATIONAL INDIA LTD**

*Date of Approval : 10/92*

**UION A G,SWITZERLAND**

Quest Intl. India Ltd., perfumery, flavour and foods ingredient company in which Unilever holds a 73.3% stake is being merged with Ponds India Ltd. The merger will facilitate Unilever to increase its stake in Ponds from 40% to 51%. Quest Intl. will continue to function as an autonomous division of Ponds. (See 'Newscast', Business India, Feb. 1-14, 1993)

**RAJ KUMAR JATIA**  
**NRI,NRI**

*Date of Approval : 10/92*

Probably the Indian collaborator in this venture is Global Boards Ltd. Global Boards Ltd is promoted by Raj Kumar Jatia, an NRI Industrialist. (See Global Boards Ltd., which is going for a Public Issue on March 21, 1994, Economic Times, March 15, 1994)

**RAJEEV BAJORIA**  
**SANKEI MOTOR CO LTD & SUZUKI MOTOR CO & NISHO IWAI CORPN,JAPAN**

*Date of Approval : 02/92*

According to the Indian partner, the project never took off.

**RAKSONS LEASING & FINANCE LTD**  
**DALSEM VECIAP BV,NETHERLANDS**

*Date of Approval : 02/93*

Questionnaire received.

**RAMESH FLOWERS PVT LTD**  
**FLORES HEIMSCHMUCK GMBH,GERMANY**

*Date of Approval : 08/92*

Questionnaire received. Ramesh Flowers Pvt Ltd in Tuticorin exports dry flowers and artistic objects made from agricultural wastes. It is promoted by Mr. M.R. Singhwi. The turnover of the company is expected to be around Rs. 9 crores. The raw materials were purchased from Himachal Pradesh, West Bengal, Madhya Pradesh, Bihar, Andhra Pradesh and Tamil Nadu. The company has an equity participation by Schleef, Germany but the approved agreement is with some other company. (See news item 'Wealth from roots and branches', Business Line, March 11, 1994)

**RAMESH KUMAR NAREELA**  
**BHPE,SINGAPORE**

*Date of Approval : 01/92*

Questionnaire received.

**RANBAXY LABORATORIES LTD**  
**ELI LILLY NEDERLAND BV,NETHERLANDS**

*Date of Approval : 04/93*

Eli Lilly & Co., USA and Ranbaxy Laboratories Ltd joined hands to set-up Eli Lilly Ranbaxy Ltd. (See Eli Lilly Ranbaxy Ltd. advt. for personnel recruitment in Hindu, February 5, 1993)

**RAVI LEELA GRANITES LTD**  
**NRI,NRI**

*Date of Approval : 01/93*

Prospectus issued.

**RAVI PLASTIWOOD PVT LTD**  
**AIREX AG,SWITZERLAND**

*Date of Approval : 12/91*

Prospectus issued. (New Name Rajshri Forex Ltd)

**RC LASER TECH INDIA LTD**  
**NRI,NRI**

*Date of Approval : 07/93*

The project is coming up at Electronics Estate in Gandhinagar to manufacture CD-ROM products. The project is promoted by Rao Chennapragada an NRI Engineer, USA whose company CDEC Corpn with Malladi Group of Madras. The project cost is to be Rs. 50.3 crore. (See 'Rs. 50 crore CD-ROM Project', Computer Today, January, 1994)

**REGENCY HUGHS CHEM LTD**  
**HUGHES & HUGHES LTD,UK**

*Date of Approval : 12/91*

The project, being set up at a cost of Rs. 10 cr. at Bhiwadi, Rajasthan will have an equity participation of 43.75% by Regency Industries Ltd, Hughes & Hughes will own 12.75% and rest of the ownership will be held by an NRI firm called Worldwide Trade & Distributors to manufacture products which will prevent birds and cockroaches meance. The Indian venture has also been given Asia as exclusive territory and its has also received trade enquiries for exports to Japan. (See 'RIL joins hands with Hughes & Hughes', Financial Express, February 5, 1992)

**RELIANCE POLYETHYLENE LTD**  
**C ITOH & CO LTD,JAPAN**

*Date of Approval : 12/92*

Prospectus issued.

**RELIANCE POLYPROPYLENE LTD**  
**C ITOH & CO LTD, JAPAN**  
Prospectus issued.

*Date of Approval : 12/92*

**REMED LABORATORIES (I) LTD**  
**REMED S A, BELGIUM**

*Date of Approval : 08/92*

Strides Pharmaceuticals of the Strides Group in its advertisement for VP-Marketing claimed that the company was implementing an expansion plan to set up an WHO-GMP Standard parenteral facility with technical and financial collaboration with Remed S.A. of Belgium. Strides Group address: 206 Devavrata, Sector 17 New Bombay 400 705. (See the advt in Business India, May 25-June 7, 1992).

**ROOTS MULTI-CLEAN LTD**  
**HAKO-WERKE GMBH & CO, GERMANY**

*Date of Approval : 07/92*

Questionnaire received. Hako-Werke belongs to Hako Group of Germany. The partners in this joint venture are Hako group and Roots Industries (P) Ltd. (See product advertisement, Business India, Mar-May, 93)

**RPG ENTERPRISES LTD**  
**GOLDSTAR CO LTD, SOUTH KOREA**

*Date of Approval : 05/92*

In the meantime Goldstar has also joined hands with Bestavision Electronics Ltd. to launch TVs, VCRs and Hi-Fi systems in India. (See Bestavision Electronics Ltd. appointments in Business India, 14-27 Feb., 1994)  
The first batch of Gold Star colour TVs exported to European countries. This is for the first time that these TVs are made in India for Gold Star, South Korea by Dixon Utilities and Exports Ltd, a Weston Group company. Dixon has set up plant in collaboration with Gold Star. (See 'Gold Star TVs flagged off', a new item in Hindustan Times, 19th Feb. 1994)

**RUBFILA INTERNATIONAL LTD**  
**RUBFIL SDN BHD, MALAYSIA**

*Date of Approval : 06/93*

Questionnaire received. It is Rs. 35 crore joint venture between Kerala State Industrial Development Corpn and Rubfil Group, Malaysia for manufacture of heat resistant latex rubber thread. Rubfil will have 34 to 39 per cent and KSIDC will have 11 per cent stake in the company. The unit will be commissioned in April 1994 at Kanjikode. (See 'KSIDC ties up with Rubfil', Observer of Business & Politics, January 16, 1993)

**SABERO ORGANICS LTD**  
**CHARLES J PRIZER, USA**

*Date of Approval : 01/93*

Prospectus of Sabero Organics Gujarat Ltd (new name) has been issued.

**SABROS INDIA PVT LTD**  
**SABROS REFRIGERATION A/S, DENMARK**

*Date of Approval : 02/93*

It has been reported that the joint venture company had come into being and commercial operations were expected to commence in early 1993. The foreign collaborator would have 40 per cent equity of the company while Best & Crompton Engg Co Ltd, the Indian partner would have 49 per cent. The remaining 11 percent would be taken up by Industrial Fund for Developing Countries (IFD), Denmark. Sales were projected to reach Rs. 20 crores within five years. See "Best & Crompton jt venture with Danish firm", in Business Standard, November 7, 1992.

**SAMCOR GLASS LTD**  
**CORNING GLASS WORKS, USA**

*Date of Approval : 12/91*

Corning Glass Works, USA and its associate Samtel Corning, Korea invested \$10 million in Samtel Group's Samcor Glass Ltd to manufacture TV glass shells, panels, and funnels. Corning and Samtel Holdings invested 40% each in the equity and 20% offered to public. Samcor's proposed plant in Kota, Rajasthan will commence production by the middle of 1993. (See 'Corning Glass to invest \$10 m in Samtel firm', Economic Times, Oct., 19, 1991)

**SANDUR LAMINATES LTD** *Date of Approval : 08/92*  
**WCE ENTERPRISES, USA**  
Questionnaire received.

**SANDUR MICRO CIRCUITS LTD** *Date of Approval : 07/92*  
**RAWMAT ELECTRONICS (S) PTE LTD, SINGAPORE**  
Questionnaire received.

**SANJAY JAIN** *Date of Approval : 11/91*  
**DANBREW LTD, DENMARK**

Mr. Sanjay Jain is Director of Rajasthan Breweries Ltd. The company has its technical collaboration with Danbrew A/S, Denmark for manufacture of the same product by RBI in December 1991. The company belongs to the Asian Group. It is possible that both the approvals are for the same project. From the prospectus of the company (issue dated 12/09/91) reserved certain equity for NRIs. The company's advertisement inviting applications for managers clearly states that it has a technical collaboration with Danbrew, Denmark. It is possible that Danbrew did not take up the approved investment.

**SAPTARISHI AGRO INDUSTRIES LTD** *Date of Approval : 04/92*  
**DALSEM VECIAP BV, NETHERLANDS**  
Prospectus issued. Also responded to the questionnaire.

**SASTRY CERAMICS LTD** *Date of Approval : 04/92*  
**GLOBE GROUP LTD, UK**  
The foreign collaborator has backed out from the approved project. Indian partner is also not pursuing further its proposed project. Source: Reply to our Questionnaire.

**SATNAM HAEGENS LTD** *Date of Approval : 07/93*  
**HAEGENS HOLLAND BV, NETHERLANDS**  
It is a Satnam Overseas Group company. The Indian partner will hold majority holding whereas Haegens will hold 20% equity. Haegens will buy the entire quantity of mushrooms processed at the factory at Sonapat. The total cost of project is Rs. 24 cr. It is to commence operations by July-August 1994. (See 'Satnam Overseas in foreign tie-ups', Economic Times, January, 22, 1994)

**SBEC SYSTEMS (I) LTD** *Date of Approval : 03/92*  
**SBEC SYSTEMS LTD, UK**  
Prospectus issued.

**SCHENCK AVERY LTD** *Date of Approval : 11/92*  
**CARL SCHENCK AG, GERMANY**  
While the official list does not mention this to be a equity hike case, newspaper reports indicate that this approval enabled Carl Schenk to increase its stake in the Indian company to 50%. See "German partner to hold 50% in Schenk Avery", November 6, 1992.

**SDI THAPAR PVT LTD** *Date of Approval : 06/92*  
**SYSTEM DEVL. INTL INC, USA**  
This joint venture is between Ballarpur Industries Ltd and System Development International, USA. The new company will have its headquarters in USA and will provide on site and off-shore system consultancy to international companies. (See '2 BILT tie-ups with US cos', Financial Express, October 6, 1992)

**SEA HYDROPOWER (INDIA) PVT LTD** *Date of Approval : 01/93*  
**SEA HYDROPOWER PTE LTD, SINGAPORE**  
Questionnaire received.

**SEAFIN (INDIA) PVT LTD** *Date of Approval : 12/91*  
**CROESE ENGG. CONSULTANTS BV, NETHERLANDS**  
Questionnaire received.

**SEAFIN (INDIA) PVT LTD** *Date of Approval : 09/92*  
**L & W INT'L NV, NETHERLANDS**  
Questionnaire received.

**SEASPAN SHIPPING LTD** *Date of Approval : 07/93*  
**MARINE MAINTENANCE & OFFSHORE SERVICE CO, UAE**  
Questionnaire received.

**SESA GOA LTD** *Date of Approval : 06/93*  
**FINSIDER INTL CO LTD, UK**

Sesa Goa had 40% equity participation by ILVA Spa, Italy, a part of the public enterprise IRI (Istituto per la Ricotruzione Italiana). See BI Jul20-Aug 2, 1992. Finsider S.p.a., Italy is to hike its stake in its Indian affiliate, Sesa Goa Ltd from 40% to 51%. (See 'Newscast' in Business India, Feb. 15-28, 1993)  
Sesa Goa alongwith Kembla Coke Co, Australia setting up a joint venture Sesa Kembla Coke Co Ltd. to manufacture low ash mettallurgical coking coal. (See press report, Business Standard, Dec. 4, 1993)

**SHARAT SEA FOODS LTD** *Date of Approval : 09/92*  
**HIGHNON FIAHWEY DEV CORPN, TAIWAN**

Company's advertisement in Economic Times, March 4, 1994 mentions the foreign equity participation from Nan Rong of Taiwan. The collaboration agreement covers transfer of technology and 33% equity participation and 100% buy back from Nan Rong, Taiwan.

**SHIN M H** *Date of Approval : 05/92*  
**M H SHIN, SOUTH KOREA**  
Prospectus issued by Shin-A Chem.

**SHREE PACETRONIX LTD** *Date of Approval : 06/92*  
**BIO PACE TECHNOLOGY INC, USA**  
Prospectus issued.

**SIBA SOFTWARE PVT LTD** *Date of Approval : 12/91*  
**PEGI MALAYSIA BERNAD & ITS ASSOCIATES, MALAYSIA**

Siba Software has tied-up with Information Management Environment Inc., USA for distributing GDS/2000, its GIS package. Siba is developing software for a Malaysian company. (See 'Data News', Dataquest, February 1993)

**SIEMENS INFORMATION SYSTEMS LTD** *Date of Approval : 05/92*  
**SIEMENS NIXDORF SYSTEMS AG, GERMANY**

The Siemens Informatio Systems Ltd (SISL) has spun out of Siemens India software division. SISL is a subsidiary of Siemens India Ltd (51% equity stake) and Siemens Nixdorf Information Systems, Germany (49% stake), started operations in 1992. SISL is jointly developing software with Germany company. It handles projects from Siemens Nixdrof and other clinets through Siemens India and market its software services globally through its parent company. (See 'Going Global', Dataquest, July, 1993)

**SIKA QUALCRETE PVT LTD** *Date of Approval : 04/92*  
**SIKA AG, SWITZERLAND**  
Questionnaire received.

**SILICON GRAPHICS (WORLD TRADE CORPN)** *Date of Approval : 03/93*  
**SILICON GRAPHICS PTE LTD, SINGAPORE**

Silicon Graphics Pte. Ltd, Singapore has committed to an investment of \$10-11 million in the next 3-4 years in the 100% Silicon Graphics owned plant. The production is likely to start from August-September 1993. (See news item in Dataquest, April 1993)  
Silicon Graphics Inc. has shifted its South Asia office from Singapore to India and also launched a fully owned subsidiary in India. (See 'Silicon Graphics shifts to India', Telegraph, October 4, 1993)

**SKYLINE LEATHER INDUSTRIES LTD**  
**MR ANSAR REHMAN,UK**  
prospectus issued.

*Date of Approval : 10/92*

**SOLARSON INDUSTRIES LTD**  
**LI TECH CORPN,SOUTH KOREA**  
Prospectus issued.

*Date of Approval : 06/93*

**SONA CAR SEATS LTD**  
**SUZUKI MOTOR CORPN,JAPAN**

*Date of Approval : 05/93*

The project is reported to have been already established at a cost of Rs. 26 crores in collaboration with SNIC Co. Ltd ( a subsidiary of Suzuki). Commercial production is expected to commence in mid 1994 and a projected turnover of Rs. 100 crores by 1997. The plant is located 5 kilometers away from Gurgaon. The Kapoors who are the promoters of Sona, along with their associates, will hold 40% and Suzuki and Maruti holding 26% and 14% respectively. (See 'New Jt venture for Maruti car seats', Times of India, January 15, 1994)

**SONA STEERING SYSTEMS LTD**  
**KOYO SEIKO CO LTD,JAPAN**

*Date of Approval : 01/92*

Sona Steering is now expanding its clients to include General Motors, Peugeot and Renault once they enter India. (See news item in Business India, March 8, 1994)

**SOUTHERN SEAFOODS LTD**  
**MONARCH TRADING CO (JAPAN) LTD,JAPAN**

*Date of Approval : 07/93*

The company's advertisement in Hindustan Times, March 2, 1994 does not mention anything about its financial collaboration. The company's capital is Rs. 50 lakhs, turnover is Rs. 1874 laksh of which export alone accounts for Rs. 1790 lakhs as on 31.3.93. The company has also entered into an agreement to produce and supply WIMPY chain of fast food restaurants.

**SPECIALITY GAS CO PVT LTD**  
**HYDROGES AS,NORWAY**

*Date of Approval : 04/93*

Questionnaire received.

**SPECTRUM POWER GENERATION LTD**  
**SPECTRUM TECHNOLOGY INC,USA**

*Date of Approval : 04/93*

The Hindustan Petroleum Corp Ltd. and the Spectrum Power Generation Ltd have signed a MOU to supply naphtha to 206 MW comblided cycle gas-based power station to be set up at the port town of Kakinada in A.P. The Rs. 7.72 billion project being set up is the first venture company in power sector. It is to be promoted by Spectrum Technology Inc., Jaya Food Industries, Hyderabad and NTPC. Rolls-Royce Partners, France, Westinghouse Corp and Commonwealth Development Corp will be participatring in the equity of the company. The MOU was signed in Hyderabad on Thursday by R N Tankha, CGM of HPCL and Mr. M. Kishan Rao, MD of SPGL in the presene of Mr. A.V. Mohan Rao of Spectrum Technology Inc., USA. (See: "HPCL, Spectrum sign pact for fuel supply" in Asian Age dated February 26, 1994, page 17).

**SPEEDFARM (INDIA) PVT LTD**  
**SPEEDFARM CO LTD,JAPAN**

*Date of Approval : 07/92*

Questionnaire received.

**SPORTS & LEISURE APPAREL LTD**  
**LACHEMISE LACOSTE & DEVANLAY SA, FRANCE**

*Date of Approval : 05/92*

According to the Indian partner, the collaboration does not involve any financial participation, it is just a technical collaboration. Stencil group company -- Sports & Leisure Apparels Ltd. will make and market T-shirts, jeans, shirts, caps and belts under the 'Pepsi' brand name. The company is planning to set-up 6-7 exclusive Pepsi clothing retail stores in Calcutta, Delhi, Madras, Bombay and Bangalore. Confirming the deal, Stencil group chairman said "we have already received the necessary clearance from the government to go ahead with the project". However, officials of Pepsi Foods said negotiations are going on between the two. (See news item 'Pepsi plans garment foray with Stencil group', Business Standard, January 19, 1994)

**SQUARE D SOFTWARE LTD**  
**COMMONWEALTH DEVELOPMENT CORPN LTD, UK**

*Date of Approval : 04/93*

The company belongs to Dinesh Dalmia's Square 'D' Group. (Economic Times, January 15, 1993)  
Altium Asia Ltd is a subsidiary of Altium Inc., USA (formerly Cadam Inc.) an IBM company. Altium holds 51% and remaining 49% by Square D. (See 'Dataquest', August, 1993)  
Square D has also tied up with the Kanbay Resources Inc, USA for joint marketing of software and information technology services. (Business Standard, October 4, 1993)

**SRF NIPPONDENSO LTD**  
**NIPPONDENSO CO LTD, JAPAN**

*Date of Approval : 03/93*

Equity hike. Proposed equity pattern: SRF & Associates (26%); Nippondenso, Japan (40%); Maruti Udyog (10%); Sumitomo Corpn. Japan (10%); and public & others (14%). (See 'SRF Nippondenso Ltd - A power shift', in Economic Times, March 19, 1993)

**SS AGGARWAL**  
**OVOBELI LTD, BELGIUM**

*Date of Approval : 02/93*

Questionnaire received.

**STEELCAST LTD**  
**KURIMOTO LTD, JAPAN**

*Date of Approval : 06/93*

Questionnaire received. Prospectus has been issued.

**STELLAR MODULAR SYSTEM PVT LTD**  
**M RUTTY & CO PVT LTD, AUSTRALIA**

*Date of Approval : 05/93*

Questionnaire received.

**STERLING REPROPART PVT LTD**  
**S K GUPTA, CANADA**

*Date of Approval : 10/91*

Questionnaire received.

**STICKWELL FASHIONS PVT LTD**  
**SERVIZI INTERNAZIOLE TERRA MARE SRL, ITALY**

*Date of Approval : 12/91*

According to the Indian partner, the proposed joint venture has not materialised.

**STICKWELL FASHIONS PVT LTD**  
**SERVIZI INTERNAZIOLE TERRA MARE SRL, ITALY**

*Date of Approval : 06/92*

According to the Indian partner, the proposed joint venture has not materialised.

**STILBENE CHEMICALS LTD**  
**CHEMET SYSTEMS LTD,AUSTRALIA**

*Date of Approval : 11/92*

The joint venture is to manufacture dye intermediates and dyestuff. The Australian company has contributed Rs. 1.25 crore towards the equity. Under the terms of agreement Chemet will be paid a fee of \$250,000 net of taxes and a royalty at the rate of 5% of net sales. The collaborator will provide basic engineering packages, detailed process description, specifications of the plant and equipment, requirement of utilities, process data details together with process chemistry including raw materials, modifications and consumption. The Australian partner will consequently take home much more than from the project than it is required to put in as equity. The project is coming up in Srikakulam District of Andhra Pradesh. (See news item 'Knowhow to cost \$250,000 - Australian tech for dyestuff venture', Business Standard, January 20, 1994)

**STILBENE CHEMICALS LTD**  
**CHEMET SYSTEMS LTD,AUSTRALIA**

*Date of Approval : 02/93*

Prospectus issued.

**STOVEC INDUSTRIES LTD**  
**STORK SCREENS BV,NETHERLANDS**

*Date of Approval : 10/92*

A press report of the company does not mention the collaborator's name, instead it says that the company has entered into an agreement for transfer of technology in the area of printing and graphics with Polychrome Corpn, Germany. The agreement with Stovec also provides for buy back arrangement by the multinational firm. (See 'Stovec Ind ties up with German firm for know-how', Observer of Business & Politics, March 10, 1993)

**SUDARSHAN TELE TUBES LTD**  
**VIDEP DISPLAY CORPN,USA**

*Date of Approval : 10/92*

Questionnaire received.

**SUJATA DATA PRODUCTS LTD**  
**BRITANNIA ENGINEERING CORPORATION,UK**

*Date of Approval : 01/93*

Prospectus issued.

**SUN SOURCES INDIA LTD**  
**BILL TODOROF,USA**

*Date of Approval : 07/92*

Prospectus issued.

**SUNRISE POLYCON LTD**  
**SAMYOUNG ORCHIDCHEM,SINGAPORE**

*Date of Approval : 11/92*

Sunrise Polycon Ltd proposes to manufacture spray dried silica/white carbon in technical and financial collaboration with Samyoung Chemical Industry Co, Korea. The Korean company agreed to invest 40% towards equity. The project is being set-up at Ramnagar in Uttar Pradesh. The product is being marketed under the brand name 'Sysil'. The collaborator agreed to buy-back 60% of the production. (See 'Sunrise ties up with Korean firm', Observer of Business and Politics, June 30, 1992)

**SUPREME PETROCHEM LTD**  
**UOP INTER AMERICANA INC,USA**

*Date of Approval : 12/91*

Prospectus issued. No equity participation by the collaborator has been reported.

**SUVARNA AQUA FARMS & EXPORTS PVT LTD**  
**TALCOTT INVT LTD, GOLD COIN SINGAPORE PVT LTD & ASIA PACIFIC SEA FOODS LTD, SINGAPORE**

*Date of Approval : 09/92*

It was reported that Sona Ratan group of Singapore, headed by C N Kripalani has tied with Anna Ramesh of A.P. for this project. (See "Sona Ratan, Anne Ramesh tie", in Independent dated November 10, 1992). Questionnaire received. A joint venture with MMTC Ltd. (Economic Times, 10.3.94)

**SYNERGY POLYMERS LTD**  
**MULTIBASE SA,FRANCE**

*Date of Approval : 02/93*

Prospectus issued.



**TANEJA AEROSPACE & AVIATION LTD**  
**PARTENAVIA COSTRUZIONI AERO SPA, ITALY**

*Date of Approval : 02/93*

Taneja Aerospace & Aviation Ltd., a member of Indian Seamless Group, entered into technical collaboration with Partenavia of Italy (a member of the Aeritalia Group) to manufacture aircrafts. (Advertisement in Business India, Dec. 6-19, 1993)

**TATA INDUSTRIES LTD**  
**IBM WORLD TRADE CORPORATION, USA**

*Date of Approval : 10/91*

Questionnaire received. IBM World Trade Corpn Ltd and Tata Industries Ltd and its associates with 50:50 equity stake formed Tata Information Systems Ltd (TSIL). TSIL markets and supports the full range of IBM products in India. It has launched its marketing activity in February 1993. (See 'INDUSA', February, 1994, p. 24)

**TATA TEA LTD**  
**NIPPON YUSEN KABUSHIKI KAISHA (NYK), JAPAN**

*Date of Approval : 12/92*

Questionnaire received.

**TATA TELECOM LTD**  
**AT&T NETWORK SYSTEMS INTERNATIONAL, NETHERLANDS**

*Date of Approval : 12/91*

Questionnaire received. Tata Telecom has also launched the concept of voice processing system in telecom with technology from Brite Voice Systems Inc, USA. (See 'Newscast', Business India, Oct. 25- Nov. 7, 1993)

**TEGA GLOBAL EQUIPMENT PVT LTD**  
**MASS FLOW EQUIPMENT, NETHERLANDS**

*Date of Approval : /91*

According to Indian partner, the company did not enter into financial collaboration with Mass Flow of Netherlands.

**TETRAHECTRON PVT LTD**  
**NRI & FRIEDRICH AUGUST, GERMANY**

*Date of Approval : 01/92*

Questionnaire received.

**TGK HY LTD**  
**TOYO GIJUTSU KUGYO CO LTD, JAPAN**

*Date of Approval : 02/93*

Indian collaborator is possibly TGK (I) Ltd. which is a group company of Toyo Gijustu Kogyo Co Ltd, Japan. TGK (I) is setting up a software development and export centre in New Delhi. Under an agreement with Oracle Corpn., USA, TGK has been accorded the status of Authorised Training Centre for Oracle. (See TGK (I) Ltd. advertisements in Dataquest for computer personnel)

**THAPAR CHEMTEX CONSULTANTS LTD**  
**CHEMTEX INTERNATIONAL INC, USA**

*Date of Approval : 01/93*

The joint venture seeks to capitalise on the considerable expertise of Ballarpur Inds Ltd as well as Chemtex in plant design and detailed engineering. (See news item in Financial Express, October 6, 1992)

**THE WALT DISNEY CO**  
**THE WALT DISNEY CO, USA**

*Date of Approval : 10/92*

It was reported that the Indian partner for this venture was Indo-Euro Industries Co. Ltd of the Modi Group (K K Modi). The joint venture would be a software company which would not manufacture any items itself but would mainly license manufacture of Walt Disney products to outside manufacturers in the country. Out of the Rs. 1 crore paid-up capital foreign equity would be 51% and 41% would be held by Indo-Euro Industries Ltd. See "Mickey Mouse and Donald Duck are coming" in Economic Times dated November 6, 1992.

**TILAKNAGAR DISTILLERIES AND INDIA LTD  
ALTAIR, FRANCE**

*Date of Approval : 11/92*

According to the company's secretary Mr. P.M. Bhaskar, RBI has been approached to grant the import licence. If it is obtained, the plant and machinery will be installed around March/April 1994. TIL will issue to Altair 75,000 shares of Rs. 10.00 each. Earlier TIL used to import the Courier brandy concentrate on a trial basis. (See "TIL, French firm tie up to make Courier brandy" in Business Standard, February 26, 1994 page 11).

**TOSHBRO SHIMADZU PVT LTD  
SHIMADZU CORPN, JAPAN**

*Date of Approval : 12/92*

Toshibro Shimadzu Pvt Ltd is 60:40 joint venture between Toshnival Brothers and Shimadzu Corpn, Japan has started manufacture of ultrasound scanners. Shimadzu is also exploring the feasibility of sourcing components from India. (See company briefs in Economic Times, March 4, 1994)

**TOTAL EXPORTS LTD  
RA JENTON & CO LTD, UK**

*Date of Approval : 07/92*

Prospectus issued.

**TR DATLA  
PHOENIX CORPN IDWA, USA**

*Date of Approval : 06/93*

A company by name Black Gold Refineries was promoted by non-resident Indians to set up a 2.5 million tonne export-oriented crude oil refinery at Visakhapatnam in Andhra Pradesh. T R Datla and his associates will invest Rs 59 crore as equity in the Rs 800 crore project and the overseas collaborator Rs. 18 crore. A foreign currency loan of Rs 525 crore is being negotiated and the balance equity of Rs 178 crore will be raised by the public issue of shares to NRIs and Indian public. Production was expected to commence in January 1995.

**TRANSTECH INFORMATIC SYSTEMS PVT LTD  
TRANSTECH INC, USA**

*Date of Approval : 10/92*

The US firm will have foreign equity share of 99.80 percent. (See Observer of Business and Politics, January 16, 1993)

**TRINA QUEBEC GEARS LTD  
QUEBEC GEAR WORKS LTD, CANADA**

*Date of Approval : 06/93*

Prospectus issued.

**TRIVENI ENGG WORKS LTD  
GEC ALSTHOM NV, NETHERLANDS**

*Date of Approval : 03/93*

A new company GEC Alsthom Triveni Ltd. has been formed on February 16, 1993 on signing an agreement between Triveni and GEC Alsthom for manufacturing steam turbines. (See news item in Economic Times, July 20, 1993)  
GEC Alsthom will have 51% equity and 49% by the Indian partner. GEC Alsthom's equity participation will be largely in the nature of technology transfer. GEC will initially supply entire technology except those for the parts like blades and rotors. Complete technology is expected to be transferred by way of increase in the equity stake. (See 'GEC Alsthom - Triveni jt venture', Pioneer, February 15, 1993)

**TURNBULL CONTROL SYSTEM INDIA LTD  
TURNBULL CONTROL SYSTEMS LTD, UK**

*Date of Approval : /91*

Questionnaire received.

**UB GROUP  
UNITED DISTILLERS PLC, UK**

*Date of Approval : 07/93*

To combat sale of spurious liquor in the name of Scotch in the Indian market, UB Group has floated a joint venture with United Distilleries, UK. The foreign partner would invest in equity to the extent of 50 per cent. The project cost to bottle UDG's brands would cost Rs. 10 to 12 crores. The location would be close to Bombay. (See company write-up in Independent, May 15, 1993)

**UCAL POWER SYSTEMS LTD** *Date of Approval : 01/92*  
**TECH-KNOL LTD,UK**  
This is a joint venture of Carburettors Ltd and Tech-Knol (owned by Mecc Alte Spa and Cotiemme of Italy). The plant located at Maraimalar Nagar was to become operational by Feb. 1993. ("Carburettors, Tech-Knol tie up", Financial Express, December 05, 1992). Prospectus issued.

**UNICORN NATURAL PRODUCTS** *Date of Approval : 09/92*  
**FRANCOIS GERALD,FRANCE**  
Questionnaire received.

**UNICORN PHARMACEUTICALS INDIA LTD** *Date of Approval : 11/92*  
**ALPHA THERANEUTICS INC,USA**  
Prospectus issued.

**UNIROYAL MARINE EXPORTS LTD** *Date of Approval : 03/93*  
**NRI,NRI**  
Prospectus issued.

**USHA DRAGER CO LTD** *Date of Approval : 10/92*  
**DRAGERWERKE AKTI,GERMANY**  
Dragerwerke, Germany has raised its equity by 10% in its joint venture Usha Drager Ltd. Usha Drager would source equipment for the German market. (See 'Usha Rectifier collaborators hike stake in joint ventures', Economic Times, October 4, 1993)

**USHA MARCONI MICROELECTRONICS LTD** *Date of Approval : 06/93*  
**LESSAG HBB GMBH,GERMANY**  
The foreign collaborator Lessag HBB, Germany belongs to Group Usha same as the collaborating company Usha Marconi Micro Electronics. (See Usha (India) Ltd. advertisement in Sunday Observer, February 16-22, 1994)

**USHA MARTIN INDUSTRIES LTD** *Date of Approval : 04/92*  
**MARTECH LTD,UK**  
Motorola Inc. has signed an equity based tie-up with Usha Martin & Indian Telecommunication for setting up wireless communication systems. (See press report in Economic Times, February 22, 1994)

**USHA MARTIN INDUSTRIES LTD** *Date of Approval : 10/92*  
**TEAM INC,USA**  
Team Inc, USA will have an equity stake of 49% and Usha Martin Industries Ltd will have the rest of the 51% equity. The collaboration agreement is to develop environmental monitoring services and maintain engineering services. (See news item 'UMIL plans tie-up with US firm', in Financial Express, October 2, 1992)

**USHA RECTIFIER CORP INDIA LTD** *Date of Approval : 05/92*  
**MATRA CENTRE ELECTRONIQUE,FRANCE**  
This collaboration seems to have been implemented in the form of Usha Matra Ltd, a joint venture company of Usha Group and Matra MHS, France (Data Quest, February 1994)

**V KIMIS (NRI) C/O MR J SRINIVASAN** *Date of Approval : 07/93*  
**NRI,NRI**  
Questionnaire received.

**VARCO SARA INDIA PVT LTD** *Date of Approval : /91*  
**VERCA BJ OIL TOOLS,NETHERLANDS**  
Questionnaire received.

**VARUNA AGROPROTEINS LTD** *Date of Approval : 12/91*  
**VAS LINK INTERNATIONAL LTD,HONG KONG**  
Questionnaire received.

**VATANU COOL ROTARYVANES LTD** *Date of Approval : 08/92*  
**DR KLAUS MUND GERMANY & C. EDWARDS USA,GERMANY**  
Questionnaire received.

**VERGOLA INDIA LTD** *Date of Approval : 02/93*  
**VORGOLA INTL PTY LTD,AUSTRALIA**  
Questionnaire received.

**VESTAS RRB INDIA LTD** *Date of Approval : 03/93*  
**VESTAS WIND SYSTEM A/S,DENMARK**  
Vestas is a fully Danish-owned company. Indian collaborator is RBB Consultants & Engineers Pvt. Ltd. (See 'Major Indo-Danish joint ventures', Economic Times, January 18, 1994)

**VESUVIUS REFRACTORIES LTD** *Date of Approval : /91*  
**VESUVIUS GROUP LTD,UK**  
Prospectus issued.

**VIBROMECH ENGG PVT LTD** *Date of Approval : 04/93*  
**DIP ING HELMUT CONEN,GERMANY**  
According to the Indian partner, the expansion plan has been postponed to 1994-95. They have equity participation of only Rs. 19780 from Mr. Cones.

**VIDYUT CABLES PVT LTD** *Date of Approval : 12/92*  
**HTC ENGG CORPN,USA**  
Prospectus of HBC Flextech has been issued which implemented the collaboration. Questionnaire received.

**VIKRAM PROJECTS LTD** *Date of Approval : /*  
**ENGENHE NOVO TECH,USA**  
Questionnaire received.

**VIVEK BHARAT RAM** *Date of Approval : 08/92*  
**BENETTON GROUP SPA,ITALY**  
DCM Ltd has entered into a tie-up with Benetton of Italy for manufacturing and marketing kids wears. In this Rs. 20 cr. venture, styled DCM Benetton, both companies hold stakes of 50% each. The garments would cost a minimum of Rs. 200 per piece. (See 'DCM Benetton tie-up to make garments', Indian Express, October 23, 1992)

**VXL INDIA LTD** *Date of Approval : 04/92*  
**LANDIS & GYR ENERGY MANAGEMENT CORPN,SWITZERLAND**  
The proposal has not been implemented. This has been surrendered back to the Govt. It has been replaced by a new licence and collaboration agreement between VXL Landis & Gyr Ltd and Landis Gyr Energy Management Corporation, Switzerland. (RBI approval 31.11.92) (Source: Reply from the company).  
VXL India has decided to surrender its majority control in VXL Landis & Gyr Ltd at the behest of its Swiss joint venture partner. VXL which holds 60% of the company's equity capital will unload 20% to bring its own stake equal to foreign partner (40%).  
The Swiss company is insisting on greater management control in the company hence the insistence of control in equity as well. The Swiss company has already put its own men in to control marketing and technical aspects and more personnel from Landis are expected to join at the top management. (See 'VXL to give up majority role in jt venture', Business Standard, Feb. 19, 1994)

**WAESCHLE MACHINEN FABRIK GMBH** *Date of Approval : 02/93*  
**WAESCHLE MACHINEN FABRIK GMBH,GERMANY**  
Questionnaire received.

**WESMAN ENGG CO LTD** *Date of Approval : 11/92*  
**ISPEN INDUSTRIES,GERMANY**  
Questionnaire received.

**WESTERN FRUIT & VEGETABLES LTD**  
**UNIPEKTIA AG, SWITZERLAND**  
Prospectus issued.

*Date of Approval : 06/92*

**WIDE FAX (INDIA) LTD**  
**WIDECOM R&D INC, USA**

*Date of Approval : 01/92*

Widecom Inc. belongs to Mr. Raja Singh Tuli, a NRI in Canada, which manufactures 36 inch fax machines. The Indian company is an 100% EOU being set-up in Pune with an annual capacity of 15,000 units and another in Noida. (See 'More fax on demand', Business Line, Feb. 18, 1994)  
Appears to be a duplicate entry.

**WINNER TECHNOLOGY PVT LTD**  
**FRIGOSCANDIA, SWEDEN**

*Date of Approval : /91*

Frigoscandia will have an equity stake of 50% in the joint venture named Frigoscandia Winner Food Process Systems Ltd with its factory at Indore for manufacturing food processing machinery. The Indian partner is Mr. Pramod Taparia. (See news item 'Frigoscandia to take 50% stake in jt. venture', January 18, 1992)

**WOODWARD GOVERNOR CO INDIA PVT LTD**  
**WOODWARD GOVERNOR CO, USA**

*Date of Approval : 06/93*

The company has commenced operations in governors and controls to meet engine and turbine power generation applications. (Appointment advt. in Hindustan Times, Feb. 21, 1994)

**WOOLWORTH (INDIA) LTD**  
**CASCAMI SETA, ITALY**

*Date of Approval : 12/91*

Uniworth Group company. The Uniworth Group is promoted by NRI Lohias. Woolworth India is a EOU manufactures worsted woollen yarn, spun silk and noil yarn with its plants in Raipur (MP) and Malda (WB). (According to company's advt. in Business India)

**WRIGLEY INDIA PVT LTD**  
**WRIGLEY WILLIAM JR CO, USA**

*Date of Approval : 03/93*

The Wrigley Co. is building a new plant in Bangalore. The ground breaking for the plant is scheduled for April and production for 1995. Wrigley's plant in Poland is also coming up and would be on line by 1995. Polish plant will serve Central and Eastern Europe. See: Asian Age dated February 26, 1994.

**YALE INDIA LTD**  
**YALE SECURITY PRODUCTS LTD, UK**  
Questionnaire received.

*Date of Approval : 06/92*

**YANGIR INVESTMENTS LTD**  
**P T PRIMA COMEXINDO, INDONESIA**

*Date of Approval : 12/92*

Yangir Synthetics Ltd would be implementing the project, a 100% EOU. The company made a public issue during September 1993.

**YENEPOYA MINERALS & GRANITES P LTD**  
**NRI, NRI**

*Date of Approval : 10/92*

Prospectus issued.

**YOGINDER MAFATLAL (INDIAN DYESTUFF INDS LTD)**  
**ENICHEM SYNTHESIS SPA, ITALY**

*Date of Approval : 01/92*

According to the Indian partner, the proposal has been abandoned.

**YS PORCELAIN TUBES MFG CO LTD**  
**Y S PORCELAIN TUBES MFG CO LTD, JAPAN**

*Date of Approval : 03/92*

Prospectus issued.

**ZELCORN FACT LTD**

*Date of Approval : 08/91*

**ZELCRON INDUSTRIES INC,USA**

Zelcron Industries Inc is a US corporation of an NRI Mr. Arun Govil. It proposes to set up a \$100 million power project. This project will use industrial and household waste as feed stock to generate electricity. (See 'Newscast', Business India, Nov. 9-22, 1993)

## Chapter Five

### INVESTORS' PERCEPTIONS -- A SURVEY

From the view point of foreign investors, India could be an attractive location on various counts. The country offers a large and expanding domestic market for a number of products which remained protected from external competition. A serious implication of this was that Indian manufacturers did not pay much heed to improve quality in the captive domestic market which gave them high monopoly rent. The technology of production remained low and wasteful, not permitting exploitation of economies of scale. Under such conditions, it was not unnatural if the Indian industry could not compete in the world market. Now since the new policies aim at removal of all forms of entry barriers it would be a profitable proposition for foreign investors to undertake investments in India and avail of the early bird's advantages.

The overall level of per capita income for India may be low but due to wide income disparities and the existence of a large middle class, the country offers a home market that has significant potential for quick expansion. *Two*, apart from the existence of a market for a variety of industrial goods, it is a general understanding that India has one of world's largest pool of skilled manpower. Given the restrictions on international labour mobility (especially for advanced countries like the U.S.) and preference of the many to stay back home (for social and personal reasons) foreign investors could take advantage of the low cost of hiring highly qualified and experienced technicians and professionals. *Three*, India did have political uncertainties, as any other democratic system would have, but the nature and degree of instability is no way even close to that of many of the other Third World countries. Personal security for foreigners is one of the highest and the international community has little difficulty in communication as English is widely understood in urban areas of the country. Racial discrimination or violence against foreign individuals is wholly absent. *Four*, it is true that India does not produce goods of a very high quality but basic requirements are met at a reasonable and acceptable level both for foreign visitors and the Indians who do not mind paying higher prices.

*Five*, due to availability of wage goods at reasonable prices one does not come across labour protests, strikes and industrial closures. Labour does not create much problem for employers; especially if the employer is a bit considerate to the reasonable demands of the workers. Combined with this is the growing industrial culture and sense of devotion to work for which Indian workers are well known within and outside the country. *Six*, the Indian banking system is fairly well-developed and the capital market is growing fast. *Seven*, India has one of the World's best postal system and telecommunication services, both intra-country and inter-country, have improved considerably. And *eight*, India has a large variety of natural resources and stable supply of raw materials that enable an entrepreneur to plan production schedule with reasonable certainty. One can refer a large many reasons why India would be an attractive location for foreign investors. This, however,

may be the Indians' point of view of the situation. The same perception may not be shared by the foreign investor.

It is possible that foreign investor may place high value to political stability and see that since the ruling party does not enjoy absolute majority, the political stability of the desired nature did not exist. *Secondly*, it could be the perception of an average foreign investor that Indian industry suffered heavily because of inefficient and inadequate power and other industrial infrastructures. *Thirdly*, the foreign perception may be that Indian bureaucracy was extremely unhelpful and 'red tape' did not suit installing efficient industrial production facilities. And *fourthly*, the foreign investor's perception could be to wait and see if the Indian government was serious enough to implement the promises it has recently made.

If there is a need to have an assessment of the perception of foreigners it is equally necessary to have a realistic understanding as to why the Indian industrialists find themselves in favour of inviting foreign partners. What are their motivations? Are they looking forward to better technology and participation in export and trading networks to markets of the advanced countries? Or, is it that the concern of the Indian partner is more to have 'brand' advantage than any substantial input in quality or technology.

For gaining an understanding of the perception and the experience of investors, Indian as well as foreign, it was decided to undertake a survey. Two questionnaires were prepared, one for the foreign investor and the other for the Indian partner, to elicit their views regarding the primary motive and major influences on the investment decisions, the progress of the approved foreign investment proposals and reasons for delay, and information on specific problems faced by them and suggestions for improving the investment climate. Questions relating to certain theoretical aspects and conditions specific to the present position of the country and its policies were also covered at different levels. The questionnaires were designed differently for Indian companies and foreign collaborators in order to acquire maximum information on the approved projects covering both qualitative and quantitative aspects. A copy of each of the two Questionnaires is given in Annexures C & D).

Questionnaires were sent to Indian partners numbering 1187, for whom addresses could be obtained. Efforts were made to obtain the addresses of all foreign collaborators. We could, however, get the addresses of 363 foreign companies only. Neither the compilation of *Foreign Collaborations* by the DSIR nor the *Monthly Newsletter* of the Indian Investment Centre provides mailing addresses of all foreign collaborators. Leaving aside the outright refusals to respond to the questionnaires (numbering 4) and the 15 who stated that the proposal has been abandoned or has been deferred, we received 104 questionnaires from within the country and 40 from abroad.<sup>62</sup> The lists of questionnaires

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<sup>62.</sup> It can probably be expected that investors would not normally like to disclose the abandonment of proposals as it might affect future proposals. Not to disclose the status of a project could also be a precaution companies might exercise so that competitors do not come to know their plans in advance.



analysed are given in Annexures E & F. A reminder was sent to the Indian parties after a lapse of six weeks. In spite of the small number of the respondents one finds a good cross section of companies covering a number of countries, different states within India, a variety of activities, different sizes of projects, many large industrial houses and foreign associates, etc. The broad characteristics of the respondents are given in Table- 1.

**Table - 1**  
**Main Characteristics of Respondents**

| Classification                   | Questionnaires received from Indian Parties   | Questionnaires Received from Foreign Collaborators |
|----------------------------------|---|--|
| Country of Foreign Collaboration | USA(18), UK(12), Germany(17), Netherlands(8), France(6), Italy(6), Japan(4), Others(31) | USA(6), UK(10), Germany(7), Japan(3), Others(11)   |
| Manufacturing                    | Manufacturing(79)Others (23)  | -  |
| Export Orientation               | EOU/EPZ/Buy Back(39), Others(55), Not Indicated(8)                                      | -  |
| Size (Small, Large/Others)       | Small(28), Others(66), Not Indicated(8)   | -  |

#### **Factors Influencing Foreign Collaborators to Invest in India**

Both the foreign collaborator and the Indian partner were asked to assign weights (0 to 5) to the factors which might have motivated the foreign partner to invest in India. In view of the relative importance attached to foreign investors' responses, information was sought from them on a larger number of issues. Almost all the factors were assigned weights by the respondents. The results are presented in Tables 2 & 3. Table - 2 represents the foreign investors' view point and Table - 3 the Indian companies' perspective. Each of the factors is accompanied by the mean weight<sup>63</sup>.

<sup>63</sup>. The respondents were asked to assign weights from 0 to 5 according to the following scale : 0 = Not important/irrelevant; 1 = Not so important; 2 = Somewhat important; 3 = Important; 4 = Very Important; and 5 = Utmost Importance. For the sake of convenience, we have generated weights relative to the maximum. If 'Utmost Importance' (5) is equated with 100, then 'Very Important' will have a weight of 80, 'Important' will have a weight of 60 and so on.

Table - 2

**Factors Influencing the Foreign Collaborator to Invest In India:  
Foreign Collaborators' View Point**

| Factors  | Mean Weight | Weight Relative to the Maximum |
|--|-------------|--------------------------------|
| 1.Long term potential (n=37)   | 4.43        | 88.60                          |
| 2.Domestic market size (n=37)  | 4.35        | 87.00                          |
| 3.Freedom to repatriate capital & profits (n=37)                         | 4.32        | 86.40                          |
| 4.Liberalised investment related policies (n=35)                         | 4.00        | 80.00                          |
| 5.Political stability (n=37)   | 3.86        | 77.20                          |
| 6.Availability of skilled personnel (n=37)                               | 3.73        | 74.60                          |
| 7.Liberalised trade regime (n=35)  | 3.69        | 73.80                          |
| 8.Change in the policy makers attitude towards foreign investment (n=35) | 3.66        | 73.20                          |
| 9.Favourable rate of return (n=37)                                       | 3.43        | 68.60                          |
| 10.Currency convertibility (n=35)  | 3.43        | 68.60                          |
| 11.Low labour cost (n=37)  | 3.35        | 67.00                          |
| 12.Adequate infrastructure (n=37)  | 3.24        | 64.80                          |
| 13.Expectation of favourable tax structure (n=35)                        | 3.11        | 62.20                          |
| 14.Availability of raw materials and natural resources (n=37)            | 3.05        | 61.00                          |
| 15.Promise of new labour legislation (n=35)                              | 2.83        | 56.60                          |
| 16.Use of foreign brand names in the domestic market (n=34)              | 2.65        | 53.00                          |
| 17.Capital market & financial sector reforms (n=35)                      | 2.57        | 51.40                          |
| 18.Adequate protection for patents (n=37)                                | 2.57        | 51.40                          |
| 19.Entry of FIIs (n=35)  | 2.14        | 42.80                          |
| 20.Signing of MIGA (n=32)  | 1.28        | 25.60                          |
| 21.Family ties (n=37)  | 0.76        | 15.20                          |

Note:(i) Figures within brackets are the number of responses and (ii) Weight relatives are calculated with respect to the maximum possible value of 5 which represents utmost importance.

An investment decision is the result of interplay between a complex set of factors. This is clearly reflected in the foreign investors' response regarding the factors influencing their decision to invest in India. A high mean weight of 4.43 strongly suggests that foreign investors view the country from the point of its long term potential. With respect to specific issues, the size of the domestic market scored the highest. Factors which received high average weights (i.e. above 4) were (i) freedom to repatriate capital and profits, and (ii) the liberalised investment related policies. Moderately high weights (3 to 4) were assigned for factors representing policy related issues (for example, trade policy, convertibility of currency and taxation). Interestingly, trade and exchange related measures received lower weights than the direct investment related measures. The latter measures are reduced scope for industrial licensing, truncation the MRTP Act and dilution of FERA. Family ties, the lowest ranking factor, obviously was not relevant for the foreign respondents as this was addressed more to NRI/expatriate investors than to others. In sum, what emerges is that while a number of factors influence the foreign investors' decisions the most important ones are long term potential of a country, the size of the domestic market and freedom to repatriate profits and capital.

Indian partners' perception of the foreign collaborators' preferences was somewhat different though they also feel that the investment decision was taken with a long term perspective (See Table 3). This sounds reasonable as even though in some sectors the present domestic market may not be big but with the possibility of increased economic growth -- an opinion repeatedly voiced by many influential sections in India and abroad -- an early entry may prove of substantial benefit; especially as relocation of large industrial units is a difficult option.

**Table - 3**  
**Factors Influencing the Foreign Collaborator to**  
**Invest In India: Indian Partner's View**

| Factors   | Mean Weight | Weight Relative to the Maximum |
|---|-------------|--------------------------------|
| 1.Long term strategy (n=91)                                 | 3.34        | 66.80                          |
| 2.Liberalised trade regime (n=91)                           | 3.30        | 66.00                          |
| 3.Low labour costs (n=94)                                   | 3.07        | 61.40                          |
| 4.Changes in investment regulations (n=91)                  | 2.95        | 59.00                          |
| 5.Large domestic market (n=94)                              | 2.90        | 58.00                          |
| 6.Higher rate of return (n=89)                              | 2.54        | 50.80                          |
| 7.Financial & capital market reforms (n=88)                 | 2.41        | 48.20                          |
| 8.Availability of raw materials & natural resources (n=91)  | 2.40        | 48.00                          |
| 9.Existence of suitable infrastructure (n=94)               | 2.38        | 47.60                          |
| 10.Use of foreign brand names in the domestic market (n=89) | 1.78        | 35.60                          |

Note:(i) Figures within brackets are the number of respondents and (ii) Weight relatives are calculated with respect to the maximum possible value of 5 which represents utmost importance.

Transnational Corporations (TNCs), the main vehicle of global capital flows, view each investment decision from a global perspective.<sup>64</sup> They operate through a plethora of subsidiaries, affiliates and licensees, which trade, assist and collaborate among themselves as also with others outside the TNC family. It is unlikely that immediate opportunity to make profits from an individual unit will be the main consideration for their investment decision. Positioning oneself according to the long term global vision may thus turn out to be a very important factor from the TNC's point of view. In the present Indian context it could even mean a lack of faith in the continuity of the liberal policy regime *i.e.*, gaining a foothold may prove beneficial in case the investment regulations get re-introduced.

Besides, it has also to be kept in mind that different industries and sectors would have their own compulsions. Products of certain economic activities cannot be exported due to their nature, and consumption of the product has to usually be limited to the country of production. Electricity generation and a variety of services are good examples in this respect.

#### **Role of Joint Venture as perceived by the Foreign Collaborator**

Foreign investor's motivation to invest in India is reflected clearly in Table - 4. This table was generated on the basis of responses to specific questions on the envisaged role for the Indian venture. It shows that the primary objective of foreign investor is to cater to the domestic market. This factor received a high average weight of 4.62 out of 5.00. Next in importance for the foreign investors was export to the regional markets but it had a relatively much lower average weight of 2.62. Another point which could indicate export orientation of the foreign investors is the manufacturing of components and intermediates in India that are to be used in other locations by the same TNC. This too received a considerably low weightage. R&D activity was considered the least important factor by the foreign investors. The low weight of 1.08 given to R&D by them indicates that India is not seen as an important R&D base.

To further differentiate the respondents we categorised the Indian companies according to (i) *manufacturing and other activities*; (ii) *export oriented companies and others*; and (iii) *small scale and other units*.

For a longtime, USA, UK and Germany have occupied an important position in foreign investment inflows into the country. This may not be surprising because globally the 'Triad' of USA, EC and Japan is the main source of foreign direct investment. To separate the preferences of this group of

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<sup>64</sup>. See S.K. Goyal, "MNCs and Indian Policy Framework", Institute for Studies in Industrial Development, August, 1990.

**Table - 4**

**Envisaged Role of the Indian Venture: Foreign Investors Point of View**

| <b>Envisaged Role for the Indian Venture</b>                                       | <b>Mean Weight</b> | <b>Weight Relative to the Maximum</b> |
|--|--------------------|---------------------------------------|
| 1.To cater to the domestic market (n=37)   | 4.62               | 92.40                                 |
| 2.Export to regional markets (n=37)  | 2.62               | 52.40                                 |
| 3.To compete with traditional competitor (n=37)                                    | 2.05               | 41.00                                 |
| 4.To protect patents (n=37)  | 1.70               | 34.00                                 |
| 5.To Manufacture Components/ Intermediate Products for Assembling Elsewhere (n=35) | 1.63               | 32.60                                 |
| 6.As an R & D Base (n=37)  | 1.08               | 21.60                                 |

Note:(i) Figures within brackets are the number of respondents and (ii) Weight relatives are calculated with respect to the maximum possible value of 5 which represents utmost importance.

countries we re-tabulated the Indian partners' responses regarding the factors influencing foreign investors decision to invest in India. The exercise involved 47 collaborations with companies from USA, UK and Germany. These countries were chosen because they account for the maximum respondents and also represent two of the three important sources of foreign direct investment flows, namely, USA and EC. Table - 5 shows the Indian respondents' perception of foreign investor's preferences.

**Table - 5**

**Factors Influencing the Foreign Collaborator (USA, UK and Germany) to Invest In India: Indian Partner's Point of View**

| <b>Factors</b>  | <b>Mean Weight</b> | <b>Weight Relative to the Maximum</b> |
|---|--------------------|---------------------------------------|
| 1.Long term strategy (n=45)                                 | 3.64               | 72.80                                 |
| 2.Large domestic market(n=44)                               | 3.30               | 66.00                                 |
| 3.Liberalised trade regime (n=43)                           | 3.28               | 65.60                                 |
| 4.Low labour costs (n=45)                                   | 3.09               | 61.80                                 |
| 5.Changes in investment regulations (n=43)                  | 3.02               | 60.40                                 |
| 6.Existence of suitable infrastructure (n=45)               | 2.56               | 51.20                                 |
| 7.Higher rate of return (n=42)                              | 2.45               | 49.00                                 |
| 8.Financial & capital market reforms (n=43)                 | 2.40               | 48.00                                 |
| 9.Use of foreign brand names in the domestic market (n=43)  | 2.28               | 45.60                                 |
| 10.Availability of raw materials & natural resources (n=44) | 2.11               | 42.20                                 |

Note:(i) Figures within brackets are the number of respondents and (ii) Weight relatives are calculated with respect to the maximum possible value of 5 which represents utmost importance.

The relative ranking of the factors compared to Table - 3 somewhat changed in Table - 5. However, 'long term strategy' continues to be at the top. 'Large domestic market' caught up with 'liberalised trade regime' and both obtained roughly the same average weight.

(i) *Manufacturing and Other activities:* While in the case of manufacturing projects 'long term strategy' and 'large domestic market' turned out to be dominant factors, the corresponding positions were taken by 'liberalised trade regime' and 'changes in investment regulations' in the case of non-manufacturing ventures (See Table - 6). Next in importance was low labour costs. Both foreign and Indian partners did not consider the liberal use of foreign brand names of much importance. The average weight given by the non-manufacturing group (i.e., 'Others') to this aspect was as low as 1 i.e., 'Not so Important'. This is understandable both because of the sectors they were in and the markets they were seeking to serve. It is also not surprising that in their case the lowest but one position (weight : 1.70) was taken up by 'large domestic market'.

**Table - 6**  
**Factors Influencing Foreign Investor to Invest in India --**  
**Manufacturing and Other Sectors**

| Factors  | Mean Weight   |        |
|--|---------------|--------|
|  | Manufacturing | Others |
| 1.Long term strategy                                 | 3.51          | 2.83   |
| 2.Large domestic market                              | 3.30          | 1.70   |
| 3.Liberalised trade regime                           | 3.22          | 3.52   |
| 4.Low labour costs                                   | 3.14          | 2.87   |
| 5.Changes in investment regulations                  | 2.94          | 2.96   |
| 6.Higher rate of return                              | 2.67          | 2.14   |
| 7.Existence of suitable infrastructure               | 2.51          | 2.00   |
| 8.Financial & capital market reforms                 | 2.38          | 2.48   |
| 9.Availability raw materials & natural resources     | 2.35          | 2.52   |
| 10.Use of foreign brand names in the domestic market | 2.03          | 1.00   |

Note:While the number of valid responses differed from factor to factor, the number of questionnaires classified as manufacturing were 79 and those placed in the non-manufacturing category were 23.

(ii) *Export Oriented companies and Others:* A number of respondents, in the non-manufacturing category, claimed to be export-oriented ones<sup>65</sup>. These were mainly engaged in mushrooms, marine products, computer software, etc. It was indicated earlier that the broad characteristic of non-manufacturing and export orientation got mixed up, in view of this fact we made separate tabulations for 'export oriented' and

<sup>65</sup>. Units in Export Processing Zones, 100% Export Oriented Units and those having buy back agreements with the collaborator are included in this category.

'others' (See Table - 7). It can be seen that the export-based classification sharpened the differences between the two groups in certain respects. If we leave out 'long term strategy', as it is somewhat of a common factor, export oriented projects view the 'liberalised trade regime', 'low labour costs' and 'availability of raw materials and natural resources' as the major factors influencing their investment decision. In sharp contrast, those intending to serve predominantly the domestic tariff area gave the highest weightage to the size of the domestic market. Next in importance were 'liberalised trade regime' and 'changes in investment regulations'. Understandably, 'changes in investment regulations' got a low weightage in the case of export oriented ones as for exporters liberal investment policies have been in operation for a long time.

**Table - 7**

**Factors influencing Foreign Collaborators to Invest in India --  
Views of Indian Partners Classified According to Export Orientation of  
the Projects**

| Factors  | Mean Weight     |        |
|--|-----------------|--------|
|  | Export Oriented | Others |
| 1.Liberalised trade regime                           | 3.43            | 3.22   |
| 2.Low labour costs                                   | 3.40            | 2.94   |
| 3.Long term strategy                                 | 3.22            | 3.33   |
| 4.Availability of raw materials & natural resources  | 3.03            | 1.94   |
| 5.Financial & capital market reforms                 | 2.97            | 2.12   |
| 6.Changes in investment regulations                  | 2.76            | 3.16   |
| 7.High rate of return                                | 2.67            | 2.50   |
| 8.Existence of suitable infrastructure               | 2.49            | 2.33   |
| 9.Large domestic market                              | 2.03            | 3.40   |
| 10.Use of foreign brand names in the domestic market | 1.65            | 1.71   |

Note:While the number of valid responses differed from factor to factor, the number of questionnaires classified as export oriented ones were 39 and the remaining were 55. Eight companies did not indicate their status in this respect.

(iii) *Small Scale and Other units*: The small scale sector policy allows foreign and Indian large companies to invest up to a maximum of 24 per cent in the equity capital of small scale units. Some of the respondents reported that their projects were being implemented as small scale units. We re-tabulated the Indian responses into 'small' and 'others' (See Table - 8). Surprisingly, the two groups did not differ much in their perception of foreign investors. The smaller projects *vis-a-vis* the larger ones assigned relatively higher weights to most of

the high ranking factors (*i.e.*, factors 1,2,4 and 5 in Table - 8), however, the overall rankings of the factors were not very different. One possible reason is that the definition of a small scale unit being related only to investment in plant and machinery, and the size of operations and other characteristics are irrelevant. In this respect, the small and large seem to lose their distinct identities.<sup>66</sup>

**Table - 8**  
**Factors influencing Foreign Collaborators to Invest in India --**  
**Views of Indian Partners Classified According to Type of Project**

| Factors  | Mean Weight |        |
|--|-------------|--------|
|  | Small       | Others |
| 1.Long term strategy                                 | 3.40        | 3.37   |
| 2.Liberalised trade regime                           | 3.36        | 3.23   |
| 3.Low labour costs                                   | 2.84        | 3.18   |
| 4.Changes in investment regulations                  | 3.08        | 2.86   |
| 5.Large domestic market                              | 3.04        | 2.84   |
| 6.High rate of return                                | 2.37        | 2.61   |
| 7.Financial & capital market reforms                 | 2.24        | 2.53   |
| 8.Existence of suitable infrastructure               | 2.24        | 2.42   |
| 9.Availability of raw materials & natural resources  | 2.44        | 2.35   |
| 10.Use of foreign brand names in the domestic market | 1.87        | 1.69   |

Note:While the number of valid responses differed from factor to factor, the number of questionnaires classified as small scale units were 28 and the remaining were 66. Eight respondents did not indicate their status in this respect.

The foregoing discussion suggests that since the preferences of export oriented projects and those catering to the domestic market are significantly different, it may be desirable to adopt a set of policies specifically addressing to different categories of foreign investors.

#### **Reasons for the Indian Partner Entering into Financial Collaboration**

A possible reason for the Indian partner to enter into a financial collaboration could be to have access to foreign funds to meet the expense on account of import of technology and of capital goods. It may even be to develop a stronger relationship with the foreign technical collaborator and to benefit continuously from his access to technology and international markets. Yet another reason could be to remain competitive in the domestic market *i.e.*, to withstand competition in the domestic market either from other local competitors who had entered into

<sup>66.</sup> See S.K. Goyal, et. al., Small Scale Sector and Big Business, Corporate Studies Group, Indian Institute of Public Administration, 1984. (mimeo).



such arrangements or from imports resulting from a liberal trade regime. Some of these objectives could be achieved through technology licensing agreements rather than directly involving the foreign collaborator in ownership or the management. On his part, the foreign collaborator could insist on equity participation to internalise the benefits to the maximum possible extent and also to protect his technology, patents and brand names. On the other extreme, the Indian party could be content to act as a sleeping partner. One of the questions posed to the Indian partner was regarding the reasons for going for a financial collaboration. The corresponding results are presented in Table - 9.

**Table - 9**  
**Reasons for the Indian Partner Entering into Financial Collaboration**

| Reasons  | Mean Weight | Weight Relative to the Maximum |
|--|-------------|--------------------------------|
| 1.Superior technology (n=98)                               | 3.80        | 76.00                          |
| 2.Access to international marketing network/exports (n=96) | 3.31        | 66.20                          |
| 3.Collaborator preferred equity participation (n=93)       | 3.10        | 62.00                          |
| 4.Collaborator's brand names & trade marks (n=95)          | 2.57        | 51.40                          |
| 5. Availability of foreign funds (n=95)                    | 2.33        | 46.60                          |
| 6.Collaborator's patents (n=90)                            | 2.28        | 45.60                          |
| 7.New management & marketing techniques (n=94)             | 2.14        | 42.80                          |

Note:(i) Figures within brackets are the number of respondents and (ii) Weight relatives are calculated with respect to the maximum possible value of 5 which represents utmost importance.

The main motive of the Indian partner to go in for a financial collaboration appears to be to acquire 'superior technology'. Access to the collaborators' international marketing network and export promotion is the second in importance. The other significant reason for financial collaboration was the collaborator's preference to have financial stake in the company. This may mean that while the Indian companies were seeking only technology, the foreign investor took advantage of the liberal investment regulation to claim a stake in the venture.

Other reasons for financial collaboration were use of brand names, patents, etc. *Interestingly, the 'availability of foreign funds' was in the fifth place.* It can be further noted that out of 77 respondents who assigned weights of 3 or above for 'superior technology' as many as 54 (70%) gave a weight of 3 or more for the collaborator's preference for equity participation. Again in 70 per cent (36 out of 51) of the cases where the Indian partners gave high weightage (3 or more) to collaborator's brand names, the collaborator showed his preference to have equity participation. The low weight given to foreign funds and

management techniques further suggests that it was the collaborator's insistence on equity participation which was responsible for the joint venture. Left to himself (and with some policy support) the Indian partner may not have offered equity in the venture to the foreign collaborator. The experience suggests a need for strengthening the bargaining power of the Indian partner in acquiring technology.

We also asked the Indian parties as to who initiated the collaboration. Table - 10 summarises the responses.

**Table - 10**

**Initiation of the Collaboration**

| Initiated by         | Number of Responses | Percentage to Total |
|----------------------|---------------------|---------------------|
| Indian Partner       | 69                  | 73.4                |
| Foreign Collaborator | 18                  | 19.2                |
| Both                 | 7                   | 7.4                 |
| Total                | 94                  | 100.0               |

Note: In eight questionnaires this information was not furnished.

In about three-fourths of the cases the Indian partner took the initiative. From the above evidence, it appears that while the Indian partner moved first to acquire technology, the foreign collaborator preferred the joint venture form of relationship instead of a simple technology transfer agreement. This probably would not have been possible if foreign investment was restricted to selected industries as was the case earlier. It seems that liberal investment policies provided the foreign investor a chance to have a stake and possibly control over the venture.

As in the case of identification of the factors influencing foreign investor to invest in India, we tried to examine the motives for seeking foreign collaboration for different sets of respondents. The results of this exercise are given below.

It is interesting to note that the weightage given to technology improved considerably when manufacturing companies were examined separately (See Table - 11). In the case of non-manufacturing companies the highest position was occupied by access to international markets which goes well with the earlier observation that the non-manufacturing group was dominated by export-oriented projects. This view got further strengthened with the evidence presented in Table - 12.

**Table - 11**

**Reasons for the Indian Partner Entering into Financial Collaboration --  
Manufacturing Companies and Others**

| Reasons  | Mean Weight   |        |
|--|---------------|--------|
|  | Manufacturing | Others |
| 1.Superior technology  | 4.09          | 2.77   |
| 2.Access to collaborators' international marketing network/exports | 3.26          | 3.50   |
| 3.Collaborator preferred equity                                    | 3.04          | 3.27   |
| 4.Collaborator's brand names & trade marks                         | 2.81          | 1.77   |
| 5.Collaborator's patents   | 2.63          | 1.18   |
| 6.Availability of foreign funds                                    | 2.32          | 2.36   |
| 7.New management & marketing techniques                            | 2.24          | 1.82   |

**Table - 12**

**Reasons for the Indian Partner Entering into Financial  
Collaborations -- Export Oriented and Others**

| Reasons  | Mean Weight     |        |
|--|-----------------|--------|
|  | Export Oriented | Others |
| 1.Access to international marketing networks/exports | 4.00            | 2.91   |
| 2.Superior technology                                | 3.39            | 3.98   |
| 3.Collaborator preferred equity participation        | 2.88            | 3.19   |
| 4.New management & marketing techniques              | 2.50            | 1.75   |
| 5.Availability of foreign funds                      | 2.50            | 2.24   |
| 6.Collaborator's brand names & trade marks           | 2.24            | 2.60   |
| 7.Collaborator's patents                             | 1.97            | 2.37   |

A comparison between 'small scale' units and 'other' units reflects a remarkable agreement between the two groups in terms of their motives for choosing the partnership. Except for the relative position of the lowest ranked reasons namely, (i) management and marketing techniques and (ii) collaborator's patents, the order of preference was the same in both the cases (see Table - 13). Even the weights were very close for both the categories. This further shows the similarity of the two groups in terms of their approach to foreign collaborations. As suggested earlier, this is probably not unexpected as over a period of time progressively larger units have been brought under the small scale category by restructuring of official policies.

**Table - 13**

**Reasons for the Indian Partner Entering into Financial Collaborations -- Small Scale and Others**

| Reasons   | Mean Weight |        |
|---|-------------|--------|
|   | Small Scale | Others |
| 1.Superior technology                                 | 3.48        | 3.92   |
| 2.Access to international marketing networks/ exports | 3.33        | 3.26   |
| 3.Collaborator preferred equity participation         | 3.08        | 3.02   |
| 4.Collaborator's brand names & trade marks            | 2.46        | 2.49   |
| 5.Availability of foreign funds                       | 2.27        | 2.29   |
| 6.New management & marketing techniques               | 2.04        | 2.23   |
| 7.Collaborator's patents                              | 2.38        | 2.09   |

One of the objectives of the study was to examine why foreign investors even after obtaining approvals for investment were not following up the proposals speedily. In this context, we tried to find out whether the foreign investors' perception regarding the economy had changed since being granted the approval and if so, in which direction. Only those cases were analysed for which pair-wise responses were available for pre and post-approval periods. Table - 14 shows that there is a considerable decline in the weights attached to nearly all the factors. The maximum fall in weight (40.28%) was experienced in the case of expectation to have a new labour legislation. Other factors which suffered heavily were: infrastructure (34.20%); rate of return (28.09%); political stability (26.90%); tax structure (26.54%); protection for patents (25.62%); and liberalised trade regime (25.40%). The only factor which has given more confidence to the investors was 'signing of MIGA'.

**Table - 14**  
**Change in the Perception of Foreign Investors After Obtaining**  
**Approvals/Investing in India**

| Factors  | Mean Weight      |                 | % Change in the Mean Weight |
|--|------------------|-----------------|-----------------------------|
|  | Expectat<br>-ion | Experi<br>-ence |                             |
| 1.Promise to bring in suitable labour legislation (n=32)         | 2.88             | 1.72            | -40.28                      |
| 2.Existence of adequate infrastructure (n=33)                    | 3.45             | 2.27            | -34.20                      |
| 3.Favourable rate of return (n=32)                               | 3.56             | 2.56            | -28.09                      |
| 4.Political stability (n=33)                                     | 3.94             | 2.88            | -26.90                      |
| 5.Expectation of favourable tax structure (n=33)                 | 3.09             | 2.27            | -26.54                      |
| 6.Adequate protection for patents (n=32)                         | 2.81             | 2.09            | -25.62                      |
| 7.Liberalised trade regime (n=34)                                | 3.74             | 2.79            | -25.40                      |
| 8.Liberalised investment policies (n=33)                         | 3.94             | 3.00            | -23.86                      |
| 9.Freedom to repatriate capital & profits (n=33)                 | 4.33             | 3.33            | -23.09                      |
| 10.Financial sector & capital market reforms (n=33)              | 2.48             | 1.97            | -20.56                      |
| 11.Size of the domestic market (n=32)                            | 4.41             | 3.59            | -18.59                      |
| 12.Long term potential (n=33)                                    | 4.42             | 3.61            | -18.33                      |
| 13.Convertibility of currency (n=34)                             | 3.44             | 2.82            | -18.02                      |
| 14.Policy makers' attitude towards foreign investment (n=33)     | 3.64             | 3.03            | -16.76                      |
| 15.Availability of raw materials & natural resources (n=33)      | 3.09             | 2.61            | -15.53                      |
| 16.Free use of foreign brand names in the domestic market (n=31) | 2.74             | 2.55            | -6.93                       |
| 17.Low labour cost (n=33)  | 3.33             | 3.24            | -2.70                       |
| 18.Availability of skilled Personnel (n=34)                      | 3.79             | 3.71            | -2.11                       |
| 19.Entry of FIIs in the capital market (n=32)                    | 2.13             | 2.09            | -1.88                       |
| 20.Signing of MIGA (n=30)  | 1.27             | 1.43            | 12.60                       |

Note:Figures in brackets indicate the number of respondents who answered to both the questions.

Even in the case of the highest ranking factors, namely, 'size of the domestic market' and 'long term potential', there was a decline in importance of 18 percentage points. However, the expectations regarding availability of skilled personnel, low labour costs, entry of FIIs and use of brand names remained more or less the same. If the responses are to be interpreted to provide possible reasons for delay in implementation of the projects, labour legislation would demand top priority. But for obvious reasons, if one were to make the adjustment process as less painful as possible, amendments to labour legislation would be a difficult trade off. It may, however, be noted that labour legislation was not at the top of agenda of the foreign investors. The factors which received somewhat high weightage and which suffered maximum were infrastructure, rate of return and political stability.

Out of these only infrastructure is in the realm of public policy (and to some extent the rate of return).

### **Causes for Delay in Implementation of the Projects**

After the approval of the proposal by the SIA/RBI/FIPB, the actual implementation of the project takes some time. This may be due to the time required for getting clearances from various governmental departments, building minimum infrastructural facilities, importing capital goods, recruiting personnel, at times renegotiating the collaboration terms and conditions, etc. Delays could occur either in case the official machinery does not respond or, due to problems which the collaborating parties had not anticipated. In some cases, where the approvals are given directly to the foreign party, delays could occur as the identification of local partner could take a long time. In some cases, the approvals were obtained without firmly identifying the project location which could also delay project implementation.

An equally important reason for slow follow up of approved projects could be that the collaborators, in particular the large companies in view of their relative strength and influence, wish to extract further concessions and assurances from the government. In some cases approvals are closely related to certain major sectoral policy decisions (e.g. power and telecommunications). At other times the foreign investor could simply be weighing the pros and cons of investing in India vis-a-vis other countries. It should also be noted that a number of approvals involving major foreign companies, especially in the initial period, were given on the eve of visits of foreign heads of state or at the time of Indian policy makers' visits to other countries to invite foreign investment. Some of these were even stated to be to convince the foreign investor that India has changed its policy approach. To that extent these were meant to be 'show pieces'.

The above could be some of the reasons for delay in the initiation of the projects and for some others progressing slowly through the various stages of implementation. A few may even have been abandoned. One of the objectives of this study was to identify the reasons for delays in implementing the approved the projects. Out of the 102 questionnaires examined, 40 did not respond to this query. This might be an indication of their perception that there were no appreciable delays in project implementation. That is, nearly 40 per cent of the projects did not suffer any delays. Let us now turn to the analysis of responses given in the questionnaires in this respect.

According to the Indian partners who experienced delays in implementing their projects, the main reason was the problem in obtaining state and local body clearances for the approved projects. The second most important reason seems to be the cumbersome procedures and delays in obtaining customs clearances. This is in line with the general perception that the spirit of liberalisation has not percolated to the operational level. Another important reason is reported to be the lack of proper infrastructural facilities. Among other reasons, a number of the respondents attributed the delay to the approach of financial institutions and banks and specifically mentioned that this has prolonged the implementation period.

Table - 15

**Causes for Delay in Implementation of Projects: Indian Partners' Point of View**

| Reasons for Delay  | Mean Weight | Weight Relative to the Maximum |
|--|-------------|--------------------------------|
| 1.Delays in obtaining state and local body clearances (n=54)       | 2.87        | 57.40                          |
| 2.Cumbersome customs procedures (n=44)                             | 2.48        | 49.60                          |
| 3.Lack of proper infrastructural & communication facilities (n=49) | 2.20        | 44.00                          |
| 4.Proclaimed official policy measures did not come about (n=44)    | 2.05        | 41.00                          |
| 5.Political uncertainty (n=35)                                     | 1.49        | 29.80                          |
| 6.Low export possibility (n=28)                                    | 0.71        | 14.20                          |
| 7.No scope for product (n=27)                                      | 0.56        | 11.20                          |

Note:(i) Figures within brackets are the number of respondents and (ii) Weight relatives are calculated with respect to the maximum possible value of 5 which represents utmost importance.

We also asked the Indian respondents whether some other matters which are internal to the collaborating parties were responsible for the delays. In an overwhelming number of cases the answers were in the negative (Table - 16).

The foreign collaborators were also asked similar questions regarding reasons for possible delay. Understandably most of them reported that there was no delay in their capital remittances. In the rest of the cases the main reason cited for delays was the time consuming procedures at the state level. The other important reason mentioned was the delay in implementation of other related policies.

To identify the problems specific to different categories of respondents, the respondents were classified as export oriented ones and others as also small and others. Table - 17 identifies the problems faced by export oriented projects and others. One, however, finds that there was not much to distinguish the two sets of companies except that export oriented units were slightly better off with regard to customs procedures. Interestingly, both claimed experiencing delays at the state and local body levels almost to an equal measure.

**Table - 16**

**Other Possible Reasons for Delay: Indian Partners' Point of View**

| Reasons  | Percentage of Respondents Saying |        |
|--|----------------------------------|--------|
|  | Yes                              | No     |
| 1.Collaborator is awaiting introduction of further policy changes (n=59)             | 16.95                            | 83.05  |
| 2.Collaborator found other countries to be offering better investment climate (n=61) | 16.39                            | 83.61  |
| 3.The terms of collaborations are being re-negotiated (n=60)                         | 8.33                             | 91.67  |
| 4.Technology offered is outdated/ unsuitable (n=59)                                  | 0.00                             | 100.00 |
| 5.Collaborator is pursuing other Indian parties (n=59)                               | 5.08                             | 94.92  |
| 6.Indian partner is pursuing other foreign parties (n=59)                            | 3.39                             | 96.61  |

Note: Figures within brackets are the number of respondents.

**Table - 17**

**Causes for Delay in Implementation of the Project - Export Oriented and Others**

| Causes   | Mean Weight       |        |
|--|-------------------|--------|
|  | Export - Oriented | Others |
| 1.Delays in state & local body clearances                | 3.00              | 2.92   |
| 2.Cumbersome customs procedures                          | 2.48              | 2.67   |
| 3.Lack of implementation of proclaimed official policies | 2.29              | 1.83   |
| 4.Lack of infrastructure                                 | 2.19              | 2.30   |
| 5.Political uncertainty                                  | 1.72              | 1.31   |
| 6.No scope for the product                               | 0.64              | 0.53   |
| 7.Low export possibility                                 | 0.64              | 0.81   |

One does find some differences when the Indian respondents are grouped into 'small scale' units and 'others'. Table - 18 shows that small units relatively found state and local level clearances as also customs procedures to be greater hurdles than 'Others'. On the other hand, delay in implementation of proclaimed official policies were more important for the larger units (which are covered in 'Others').



**Table - 18**

**Causes for Delay in Implementation of the Projects -- Small Scale and Others**

| Causes   | Mean Weight |        |
|--|-------------|--------|
|  | Small Scale | Others |
| 1.Delays in state & local body clearances        | 3.11        | 2.69   |
| 2.Cumbersome customs procedures                  | 2.69        | 2.30   |
| 3.Lack of infrastructure                         | 2.31        | 2.06   |
| 4.Delay in implementation of proclaimed policies | 1.62        | 2.13   |
| 5.Political uncertainty                          | 1.25        | 1.64   |
| 6.Low export possibility                         | 0.91        | 0.56   |
| 7.No scope for the product                       | 0.55        | 0.59   |

While this is the impression that one gets from the questionnaires, the delays with regard to large projects as indicated above, may fall in a category of their own. Newspaper reports indicate that the collaboration of Escorts with BMW may have fallen through. In the case of Hindustan Motors' collaboration with General Motors, the company had advertised long back for personnel for the new joint venture. It is surprising to note that till now no concrete signals regarding the implementation of the projects have emerged. Delays in the case of power projects probably have more to do with extraction of more favourable terms from the Government by the foreign investor.

On the other hand, if the approved proposals were to be implemented by mere transfer of existing undertakings to a joint venture company, can one credit the collaborators or the bureaucratic machinery for speedy implementation? Here we are referring to the cases of Godrej-GE Appliances (which will take over the refrigerator unit of Godrej and market the products of Maharaja International -- washing machines -- and Air Command Airtech -- portable air conditioners); GE-Apar Lighting Ltd (which initially will operate Apar's lighting division); and Philips Medical Systems (which was to take over the medical systems division of Philips India).

**Problems Faced by the Respondents**

The respondents were asked to describe their problems in specific terms at three levels namely, (i) Central government/ RBI/ Customs, (ii) State Government and (iii) District Authorities and Local Bodies. Some of the important problems reported by them can be summarised as follows:

- (1) Lengthy procedures at the central/RBI level;
- (2) Complicated and cumbersome procedures at customs;

- (3) Though the central government has announced the liberalisation program the state governments are following the same old procedures;
- (4) Corruption and red-tapism at different levels;
- (5) Approvals for environment clearance, getting water & power connection, etc. are taking a long time;
- (6) High rates on import of capital goods and raw materials are adversely affecting the export commitment/buyback agreements; and
- (7) Getting loan from the financial institutions/banks is time consuming.

### **Problems at the Central Level**

Some of the major problems faced by the Indian partners at the central level, in their own words, are given below:

For collaboration approval, to and fro trips to Delhi for nearly 6 months. Still improper answers, corruption at every level and still delay ... Customs - Inevitable suspicion due to same name of the company. Always charge 10% extra customs duty. You are always at the mercy of the appraiser.

Though the Reserve Bank of India has made amendments to FERA, the procedural and administrative hurdles still continue to a large extent. The practical problems faced at customs, including delays in clearance and assessments are proving to be big hurdles in the day to day operations.

Grey areas regarding Government/RBI roles, including conflicting advises from different offices e.g. the collaborator had wanted to adjust the installments of know-how fee (as and when due) towards their contribution to equity. One RBI office said it can be granted. Accordingly application was submitted and after 2 months RBI HQ rejects the application saying Government's approval is required. RBI's insistence on getting the FC approval getting transferred from the name of the promoting Company to the new company before issuing permissions in the name of the newly registered company even after providing all evidence that the new company has been created to implement the FC approval. The Govt has taken 45 days to issue.

Multiple level of clearances and involvement of several departments for a single project seems to have created several problems and it appears to have delayed the speedy implementation of the projects. Most of the investors preferred single window clearance or a single department dealing with the matter. We quote the experience of a company in this regard:

During the processing of Investment Agreement, we have to submit multiple applications to various government agencies which were sometimes time consuming and duplication of work. So, single window clearance is desirable to expedite the matter. Again once the investment is approved, every time we have to take permission from RBI, during payment of interest or instalment.

It appears from the replies that this problem is not restricted to a few companies. Several companies have faced similar problems. The formalities are not clear-cut and sometimes they are confusing to the investors. As pointed out by one investor, the roles of SIA and RBI are not clear. To quote:

While a single agency is supposed to clear the collaboration, we had to go through SIA as well as RBI for clearance of the collaboration. There is no single source, e.g. a booklet of information available on the formalities one should go through. We found out the formalities by contacting each institution separately. As a result, formal approval from RBI came after the project progressed more than half way through. Equity to collaborators could be issued only towards the end of the implementation of project.

Another major problem seems to be undue delay at all levels. From filing an application for collaboration approval till getting all the basic facilities/ clearances the investors have complaints. The following are the comments of some of the respondents in this regard:

Delay in receipt of permission from SIA, even after meeting and clarifications. We were informed that the delay was mainly due to non signing of the minutes of the FIPB by the then industries minister (the P.M). Further R.B.I. took at least 2 months to clear the application for granting permission for receipt of equity funds from collaborator.

Delay by the Government of India in approving the Collaborators investment against technical know-how and technology.

Delay in getting EOU Registration and other approvals.

The project was conceived on the basis of import of equipment against non-reputable NRI funds. However, the policy changed in mid 1991 and the project was delayed by about 6 months due to lack of interpretation of policy by CCI&E, Ministry of Industry, etc.

Obtaining customs clearance for import of capital goods and raw materials, as pointed out by the Indian respondents, seems to be time consuming and cumbersome. The Customs have either not implemented the new policy changes or they do not co-operative with the investors. We quote some experiences:

The procedural formalities at the Customs both while importing machinery as well as raw materials and consumables have been found to be very time consuming, complicated and cumbersome, apart from the recurring problem of rampant corruption in the customs.

Problems are mainly with imports of Raw Materials, J.C.C.I. and Customs. The products to be manufactured are new to India and do not have input output norms. Advance License procedures are too complicated and corruption is rule rather than exception. Raw Materials sent by collaborators for processing are lying in customs for more than six months incurring demurrage and penalty because of the complicated rules and regulations governing licenses.

At Customs level, we are convinced that they are not in tune with the current liberalisation policy of the Government of India. The

attitude of the Customs and Excise departments that the industry is guilty until proved innocent continues to be same as before.

### **Problems at the State Level**

A number of companies reported experiencing problems at the state level during the implementation of their project. These are mainly related to getting power and water connections, land allocation, getting backward area benefits, etc. As for the Indian partners the attitudes of state governments are not in tune with the new economic policies announced by the central government. The following are a few extracts from the questionnaires reflecting the experiences of the investors in this respect:

Liberalisation is not being followed by State Government and companies are required to wait for Government approval for minimum period of one year to three years. Hence, Central Government may be required to simplify rules and regulations for Land Ceiling Act for certain Export Oriented industries (*i.e.* Aquaculture, Food Processing).

We have acquired plot admeasuring 11000 sq. meters in GIDC Electronic Estate, Gandhinagar. We were in need of about 30000 sq. meters plot. However, the GIDC Official demanded cash premium of Rs. 10.00 per sq. meter which we refused to pay. As on today, the way to our plot is encroached by unauthorised people and our request to the GIDC for removal is pending because of dispute of authority between GIDC and forest department. It is highly unfortunate for us to go after every department of Government very often. Instead of that we should be in production oriented stress. The state government is still in the pre-liberalising stage, and the same mindset is still prevailing. The more appropriate word would be primitive stage.

Corruption in various agencies like Electricity, Factory Inspectors, Telephone, Sales Tax, Unhelpful attitude of operational staff, etc.

The state Government had announced state subsidy for units located in Greater Noida. After a full year, the subsidy has been sanctioned. How long it will take to get the money is still to be seen.

Problems faced in terms of power supply and in terms of procedural hurdles under the sales tax Act and the local revenue Act.

Some problem in getting power supply, Pollution Clearance requirement, although our unit does not pollute water, air or create noise, and getting proper infrastructure in initial stages, like communications and transport facilities.

Since our unit is exclusively engaged in the Exports on firm Buy-back arrangements, shortfall in our production due to non-availability of additional power is painful. Collaborators loose confidence and country loses exports.

### Problems at District and Local Levels

As compared to the central or state government levels, the problems at district/local level appear to be less. The main problems, as pointed out by respondents, relate to land allocation, road construction and proper communication, octroi, backward area benefits, corruption and so on. The following cases illustrate these points:

Subsidy registration and other backward area benefits, even though the location of our plant *i.e.* Karannagar is included under category II vide G.R. No. 12 dated 14.3.91, we have been denied subsidy registration and other benefits by district industries centre Mehsana. We have already approached higher authorities and are awaiting their reply.

Poor knowledge of business fundamentals and indifferent attitude at all offices at district level. ... Bribes/graft are demanded and expected as a way of life.

Too many departments are involved for clearances like environmental and storage of hazardous/explosive nature, raw materials.

Amount of documentation required for acquisition of land was cumbersome.

These problems obviously cannot be specific to foreign collaboration projects only. These relate to the overall administrative mechanisms and their responsiveness to individual needs.

**Table - 19**

### Indian Investors' Suggestions

| Suggestions  | Number of Respondents |
|--|-----------------------|
| 1.Simplification of procedures   | 24 (3)                |
| 2.Need for bureaucratic attitudinal changes  | 16 (6)                |
| 3.Simplification of customs procedures and change in the attitude of customs personnel | 14 (2)                |
| 4.Single window clearance of projects at Central and State levels                      | 13                    |
| 5.Banks/FIs or FIIs should clear projects quickly                                      | 11 (4)                |
| 6.Infrastructural facilities should be improved  | 10 (5)                |
| 7.Further reduction in corporate tax and customs duties                                | 6 (3)                 |
| 8.Further Liberalisation should be introduced  | 5 (5)                 |
| 9.Rupee Convertibility on all accounts   | 4 (5)                 |
| 10.New Labour legislation & labour exit policy   | 4 (3)                 |
| 11.Political stability and consistent economic policies                                | 4 (2)                 |
| 12.Corruption should be dealt with seriously   | 3                     |
| 13.Small Scale units should be given more facilities                                   | 2                     |

Note: Since multiple suggestions were offered by some respondents, total number of suggestions exceed the number of questionnaires analysed. Figures in bracket indicate the number of foreign respondents.

Source: Questionnaires.

The respondents have offered a variety of suggestions for improving the investment climate in the country. Most of these suggestions can be related to the problems faced by the Indian as well as foreign respondents at the time of approval or while implementing the project. The suggestions have been summarised in Table - 19 above. Combined with 'single window clearance', 'simplification of procedures' turned out to be the most important suggestion of the respondents. The other important suggestion were regarding 'need for change in bureaucratic attitudes', faster clearance of projects by banks and financial institutions, simplification of customs procedures and improving infrastructure facilities. Interestingly, there were only a few suggestions referring to corruption, political and economic instability and labour legislation.