



# Karnataka Update



Confederation of Indian Industry  
Since 1895

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## *Chairman's Message*

Dear Colleague,

The first quarter of the financial year 2010-11 has just ended. The economic indicators for the corporate sector continue to remain robust, despite the continuing threat of inflation particularly in retail prices. This can potentially threaten macroeconomic stability if it proves to be a persistent phenomenon, but otherwise the economy as a whole continues to be well set on an expansion trajectory of around 8% for 2010-11.

For CII Karnataka as well, the first quarter has been one of intense activity. The Global Investors Meet (GIM) which happened over June 3-4, 2010, was a landmark event during which investments worth Rs.390 thousand crores (USD 80 Billion) were received and cleared by the Government. The investments were geographically concentrated in North Karnataka with 5 districts (Bellary, Bagalkot, Gulbarga, Haveri and Raichur) securing almost 70% of the investments. Equally, the three industries of "Iron & Steel Rs. 240 thousand crores, Power Rs.44 thousand crores and Cements Rs. 41 thousand crores" also took up the bulk of proposals received. Despite these concentrations, it seems clear that even if 50% to 60% of the approved investments are realized, their transformational potential for the state is immense. Many of the investments such as Iron and Steel will require enormous ancillary support and will therefore have a multiplier effect on the economy.

It is a matter of significant satisfaction that CII played a seminal role in the GIM as an event partner. We were part of the several road shows of the Government both in India and overseas, we used our national and international network to promote the event and finally we were responsible for theme conferences at the event in critical areas such as Infrastructure, Power, Aerospace, Minerals, Automotive & Machine Tools.

I am also happy to inform you that CII's role was much appreciated by the Government and that post the GIM, we are moving to create joint task forces between the Government and CII to guide and recommend actions to make the State among the most investment friendly destinations in the country. We will keep you informed of progress on these vital matters, and also shortly circulate a questionnaire to all our members soliciting suggestions from you on how to make the State more business friendly.

The 6th India Innovation Summit was also held on June 17-18, 2010 and once again made an excellent impact as a landmark event. Speakers included Mr Ravi Venkatesan, Chairman, Microsoft Corporation India Pvt Ltd, Dr Kiran Bedi, IPS (Retd), Ramon Magsaysay Awardee, Ms Preetha Reddy, Managing Director, Apollo Hospitals Enterprises Ltd, Mr Pickhard Friedhelm, Robert Bosch Engineering and Business Solutions Ltd, Mr Anil Menon, President – Globalization and Smart Connected Communities, Cisco Systems Ltd amongst other distinguished speakers.

Going forward, we would like to turn our minds now to widening our membership base and aggressively seeking out ways and means of adding value to all of you. In the weeks and months to come, you will find us reaching out to you more and more to understand how we can embed CII into each of your own organizations in your drive to progress and prosperity.

Cordially yours,

Aroon Raman  
Chairman  
CII Karnataka State Council

## Global Investors Meet 2010: Advantage Karnataka

The Global Investors Meet (GIM) was held in Bangalore on 4 – 5 June 2010. The objective of the meet was to showcase opportunities in key sectors in Karnataka and facilitate investment opportunities in the State. During the meet 361 MoUs were signed which are valued at approximately Rs 450,000 crore.



Karnataka has emerged as an investment destination for investors worldwide, owing greatly to the investor-friendly policies of the Government, congenial industrial ambience, readily available land, salubrious climate, abundant natural resources, excellent labour relations and a strong intellectual capital base unparalleled by any other state. Karnataka has, to its credit witnessed a plethora of innovations and breakthroughs across the key sectors such as steel, cement, auto, energy and information technology. The state has been ranked first by the World Bank for the most positive business environment. It also has the 3rd largest FDI inflow in India and has been conferred up as the best place to live and

work. If all investments come as promised, Karnataka will be able to create 850,00 new jobs in these above mentioned sectors.

CII in partnership with the Government of Karnataka organized conferences centered around 5 sectors - Aerospace, Energy, Automotive & Machine Tools, Infrastructure and Mines and Minerals. The conferences aimed at providing a platform for business leaders, investors, corporation, thought leaders, policy and opinion makers to understand and explore the business opportunities in Karnataka.

'Karnataka- Aerospace Hub of India' was released by CII and Pricewaterhouse Coopers at the Aerospace Conference to provide an insight into the aerospace opportunities in Karnataka. CII and Ernst & Young released a CD on the Power Sector opportunities in Karnataka at the Energy Session.



Post GIM, the Government of Karnataka and CII Karnataka together would form Joint Task Forces to review the progress and speedy implementation of MoUs signed.

## Conference on Green Datacenters

At the Conference on Green Datacenters organised by the CII – Sohrabji Godrej Green Business Centre on 22 June 2010, Dr Ajay Mathur, Director General, Bureau of Energy Efficiency, Ministry of Power, Government of India released the First National Document on “Energy Efficiency Guidelines and Best Practices”. The Manual was developed by the Confederation of Indian Industry (CII) under the guidance of Bureau of Energy Efficiency (BEE) and with the participation and support of datacenter experts, users and leading equipment manufactures & suppliers.

Dr Ajay Mathur stated that the Manual has ushered in a new initiative of Greening Indian Datacenters and called on all the stakeholders to further develop this Manual as a valuable reference document. Dignitaries present at the occasion included Mr Arvind Mathur, Strategic Technology Officer- India & South Asia, CISCO Systems, Mr Shrinivas Chebbi, CGM & President – India, APC, Mr Sandeep Nair, President & Managing Director, Emerson



Network Power India Pvt Ltd, Mr S Chandrasekhar, Vice Chairman, CII Karnataka & Managing Director, Boruka Power Corporation Ltd and Mr S Raghupathy, Senior Director & Head, CII-Godrej GBC.

## The Sixth India Innovation Summit 2010: Innovation “Making a difference in an emerging economy”



CII in partnership with the Government of Karnataka organized the Sixth Edition of the India Innovation Summit 2010 on 17 – 18 June 2010 at Bangalore. This flagship event of CII chaired by Mr S Gopalakrishnan, Chairman, CII Southern Region and MD & CEO, Infosys Technologies focused on the theme ‘Innovation – Making a difference in an emerging economy.’

At the Inaugural Session, Mr Murugesh Rudrappa Nirani, Minister for Large and Medium Industries, Government of Karnataka, informed the delegates that post GIM, the State government in partnership with CII has been taking several steps that encourage innovation in industry particularly in the areas of Aerospace, Infrastructure, Automobiles and Machine Tools, Power and Minerals and Mines. The sessions at the Innovation Summit focused on the Role of Youth in Innovation, the importance of creating Innovation DNA and opportunities for technological innovation across the sectors.



The panel discussion on Innovation Beyond Business studded with the likes of Dr Kiran Bedi, IPS, (Retd), Ms Sudha Murthy, Chairperson, Infosys Foundation, Ms Shashi Deshpande, Writer and Dr Raj Kumar Khatri, Commissioner for Industrial Development and Director of

Industries and Commerce, Government of Karnataka was the highlight of the event. Narrating instances from her initial days at police, Dr Kiran Bedi stressed upon the need to generate resources without complaining and Ms Sudha Murthy confessed that being impractical is her greatest strength and biggest motivation which has also helped her build compassion.

The Summit featured 41 speakers, over 450 delegates, extensive discussions both formal and informal to examine the trends, practices and policy approaches for enhancing collaboration in innovation with emerging economies in a globalized platform and to identify specific areas of common interest for further exploration in the field of innovation and provide recommendations to the Government. The platforms also enabled opportunity to network and interact with industry leaders, understand the perceptions on innovation and explore emerging ideas for business opportunities and benchmarking innovation.

The Summit featured eminent speakers including Mr Ravi Venkatesan, Chairman, Microsoft India at the Inaugural, Mr Wolfgang Lehmacher, President and CEO, Geo Post Intercontinental, Mr H K Mittal, Adviser and Head, National Science and Technology Entrepreneurship Development Board, Mr Andrew Ouderirk, Corporate Scientist, 3M Corporation, MR Chetan Kumar Maini, Deputy Chairman and CTO, Reva Electric Car Company Pvt Ltd, Ms Preetha Reddy Managing Director, Apollo Hospitals Enterprises Ltd,



Dr Anil Menon, President, Globalization and Smart Connected Communities, Cisco Systems Inc, Mr Pickhard Friedhelm, Managing Director, Robert Bosch Engineering and Business Solutions Ltd amongst others.

## Technical Seminar on Concrete Roads: Rural and Urban Areas



Roads and highways are the country's lifeline and have a profound effect on all sectors of the economy. The creation of an extensive roads system forms an integral part of India's blueprint for economic progress and we see ambitious plans to build city roads, state and national highways, expressways and rural roads in the next few years. Against this background, CII Karnataka in Partnership with Public Works Department, Government of Karnataka and the CII Cement Industry Division, supported by ACC Limited organised the Technical Seminar on Concrete Roads: Rural and Urban Areas, benefiting over 450 delegates from the Government and Private Sector.

Karnataka's vision for 2020 envisages development of a core road network of 40,000 Kms in which concrete roads will come to play an increasing role, said Shri Channabasappa M Udasi, Hon'ble Minister for Public Works Department, Government of Karnataka and Guest of Honour at the Inaugural Session. Mr N Lakshmana Rao Peshwe, Secretary, Public Works Department, Mr Subir Hari Singh, IAS, Additional Chief Secretary, Urban Development Department, Mr Sumit Banerjee Chairman, CII Cement Industry Division and Managing Director, ACC Limited and Mr S Chandrasekhar, Vice Chairman, CII Karnataka State Office were among the dignitaries.



## World Environment Day: 5 June 2010

### Walkathon



The CSR and Affirmative Action Panel of CII Karnataka, organized a Walkathon in Bangalore on 5 June 2010 to mark the World Environment Day. The Walkathon commenced from the Shree Kanteerava

Stadium through the Cubbon Park and back to the stadium.

Over 1000 participants, comprising of business leaders and young professionals from MNCs and Indian companies including Volvo, Tyco Electronics, Kennametal, Praxair, Free Scale Semiconductors, General Motors, Ingersoll Rand, TCS and Infosys wore specially designed T-shirts with the UNEP slogan of the year - Many Species, One Earth and one Future. Sports persons from various disciplines and sports associations including table tennis, boxing, judo, weight lifting, roller skating, volley ball also participated in the Walkathon.

Mr Gulihatti D Shekhar, Hon'ble Minister for Youth Services urged young professionals to work to restore the city's greenery apart from supporting other initiatives to preserve our environment.

Mr S Krishnamurthy, Vice President, Indian Red Cross Society Karnataka said that volunteers in the Red Cross movement are also concerned with environment and its impact on our life.

Mr Aron Raman, Chairman, CII Karnataka, affirmed that Environment is of key concern for Corporate Social Responsibility and many CII member companies are supporting community development projects as a part of "Namma Halli" and such initiatives



### YI One Million Tree Plantation

One Million Tree initiative is a YI national mission to plant one million native varieties of trees across India which will also help to increase the forest cover of the country. The



initiative aims at using the expertise of Masanobu Fukuoka through the Seed Ball Technology and to plant varieties which can generate revenue. In view of World Environment Day 2010 and to mark the start of the one million tree campaign in Karnataka, over 20 trees were planted with the help of 40 participants including students, in an event organized by CII YI in association with Bhagawan Mahaveer Jain College of Engineering and Institute of Wood, Science and Technology.

Mr Viral Shah, Environment Chair, Dr Pankaj Aggarwal, Sr Scientist, Institute of Wood Science & Technology and Mr Santhosh, Head PR and Registrar, Bhagawan Mahaveer College were present at the event.

## Interactive Meeting with Dr C S Kedar, IAS, Director General, ESI Corporation



A high level team led by Mr Aron Raman, Chairman, CII Karnataka and Mr S Chandrasekhar, Vice Chairman, CII Karnataka along with a large representation from CII member companies met with Dr C S Kedar, Director General, ESI Corporation at the Bommasandra Industrial Area Association Building on 1 April 2010.

The meeting was held following the relaxation of ESI rules and regulations and as a follow up to the interactive meeting with Dr Devi Shetty, Chairman and Senior Consultant Cardiac Surgeon, Narayana Hrudayala Institute of Cardiac Sciences, held on 24 March 2010.

Dr C S Kedar addressed the industry members and shared information on the recent policy initiatives related to ESI and expressed his views to help membership in Employee Health Insurance. Dr Kedar announced that the ESIC would have tie-ups with nursing homes, hospitals and diagnostic centers in all areas where no ESI Dispensaries exist within 8 kms. He assured members that the ESIC would settle the bills directly with the hospitals within 3 working days. He also briefed members on the new e-governance initiative with Wipro – 'Project Pehchan' through which insured persons would be provided with 2 smart cards having a unique insurance number – one for self and the other for their family. The project ensures that medical treatment is provided anywhere in India in any ESI Hospital or ESI tie-up hospitals irrespective of place of residence or even in case of change in employment.

## TQM Forum Annual Day

The CII Karnataka TQM Forum for Organisational Excellence organised its Annual Day for the TQM members on 17 April 2010 at Bangalore. Mr T V Varadarajan, Facilitator, TQM Forum presented an overview of the activities of the Forum for the year 2009 – 2010.

Mr Ramesh Swamy, Trustee, SGBS Trust – Unnati, guest speaker for the evening explained that the objective of Unnati programme is to make socially underprivileged youth and school drop-outs employable by imparting vocational training. He also explained that the Unnati model is replicable and the vision is to benefit 1 million youth by 2020.

## India 2039 - An Affluent Society in One Generation



At a panel discussion organized by CII on 12 April 2010 with Mr Harinder S Kholi, author of 'India 2039 – An Affluent Society in One Generation' he explained that India's economic successes are primarily due to India's dynamic and competitive private sector and the new found can-do spirit of the confident middle class and youth.

Mr Aron Raman, Chairman, CII Karnataka in his opening remarks stated that the time had come to propel the country into a higher trajectory and to consider transforming the country's institutional, administrative and governance systems at all levels. Dr Rajiv Lal, MD and CEO, Infrastructure Development Finance Company portrayed the needs of the society and said that Inclusion is a political necessity. Politics of identity is bound to give way to the politics of performance and there should be improvement in the delivery of basic services.

Mr S Chandrasekhar, Vice Chairman, CII Karnataka concluded the discussion emphasizing the need to transform governance in order to succeed.



Mr Aron Raman, Chairman, CII Karnataka stated that transformation should also be the focus in Government Departments and that the TQM Forum should help in improving quality in its services. Other distinguished dignitaries included Mr T Parabrahman, Immediate Past Chairman, CII Karnataka, Mr S Chandrasekhar, Vice Chairman, CII Karnataka, Mr L Krishnan, Managing Director, Taegutec India Pvt Ltd.

## Seminar on Non Compete Law, Intellectual Property Rights & Employment Law in India

At the seminar on Non Compete Law, Intellectual Property Rights & Employment Law in India, organized by CII Karnataka on 24 April 2010 at Bangalore; the legal luminaries and industry experts agreed that a common industry code could be the basis for a future legislation and non compete law for a robust legislation to safeguard & protect confidential information/ trade secrets.

At the inaugural session Mr M N Venkatachaliah, former Chief Justice of India said that we have nothing in position to keep ourselves ahead in the emerging global business scenario and the minimum guarantee would be to provide legislation for the protection of business secrets.

## Special Meetings

### Felicitation of Vice Admiral B R Rao, AVSM, NM, VSM, Chief Hydrographer to Govt. of India

CII Karnataka organized a special evening of fellowship to felicitate the distinguished service of the Chief Hydrographer to Government of India, Vice Admiral BR Rao, AVSM, NM, VSM and to celebrate the achievements of the Indian Naval Hydrographic Department on 1 May 2010 in Bangalore.

The Vice Admiral made a Presentation on Hydrography towards Nation Building and opined that the Indian Ocean region is going to be the hub of activity in the future. Hydrography plays an important role in ensuring marine transportation remains safe and thereby contributes to the trading ability of the nation and its economy.

Mr Aroon Raman, Chairman CII Karnataka, stated that Industry is the backbone of the country and economy. Defence and industry can exchange views and partnerships can be formed. In his closing remarks, Mr S Chandrasekhar, Vice Chairman, CII Karnataka thanked the Admiral for his service to the nation and his insights into the role of Hydrography in the role of nation building. A memento was presented to the Admiral by the Chairman on behalf of CII.

### Bangalore Visit of Mr Sibabrata Tripathy, High Commissioner (Designate) to Kenya

Mr Sibabrata Tripathy, High Commissioner (Designate) to Kenya was on a Bharat Darshan to familiarise himself with the Indian Industry and Companies before taking up his assignment to Kenya. Mr Tripathy spent 6 days in Bangalore from 22nd to 27th May 2010 during which time he visited and interacted with senior officials from companies including TVS Motor Company, Taegutec India, Biocon Ltd, Toyota Kirloskar Motor Ltd., Avesthagen Ltd and Infosys Technologies.

Mr Sibabrata Tripathy acknowledged the visit and time spent as fruitful and valuable and was particularly impressed by the reception he received from the organisations.

## A Knowledge Conclave

CII Karnataka organized a 'Knowledge Conclave' in partnership with Mindlogix Infotech Ltd. on 21 to 22 May 2010 at Bangalore. More than 20 Vice Chancellors from universities across India and 150 participants joined the 'Knowledge Conclave'. The objective of the Conclave was to facilitate a fruitful synergy between Universities and Industries, which is essential for building and strengthening the human capital of India.

Prof Y S Rajan, Dr Vikram Sarabhai Distinguished Professor, ISRO, Prof K Kannan, Vice Chancellor, Nagaland University, Dr R K Shevgaonkar, Vice Chancellor, University of Pune and Prof N R Banerjee, Former Vice Chancellor, BESU & Chairman WEBEL- moderated the enriching sessions on the theme of India the Knowledge Hub of 21st Century.

## Business Opportunities with China

A Seminar on Business Opportunities with Jiaying, China was organized by CII in partnership with Jiaying Municipal Government on 9 April 2010 in Bangalore with the participation of Mr Sixing Yu, Vice Chairman of the Standing Committee of Jiaying Municipal People's Congress and a 13 member official and business delegation. The main objective of the Business Forum was to provide a platform for the industries to explore mutual areas of export and business development. The seminar also aimed at expanding bilateral trade as in the year 2009. Bilateral trade amounted to US\$ 289 million, among which, exports from Jiaying to India amounted to US\$ 250 million, while imports from India to Jiaying amounted to US\$ 39 million.



Following this delegation and on the occasion of the visit of the Mayor of Nantong, China who was accompanied by a 15 member delegation, CII Karnataka organized a Seminar on Business Opportunities with Nantong City, China on 11 June 2010 in Bangalore.

An audiovisual presentation of Nantong City known as the "Pearl of the River and Sea" encapsulated its distinctive geographic advantage, featured by its closeness to river, sea and Shanghai, having immense development potentials. Being one of the 14 port cities opened to foreign investment projects under China's current policies of modernization, the city is an integral part of the Shanghai Economic Zone.



The Mayor commended CII and declared that as 'India is good in software technology and China is good in hardware, Karnataka and Nantong can forge a relationship based on mutual benefits'. He invited Indians to come to China for the Nantong Fair in September and invest in his country. A Presentation was also made by Mr Maipalli P Ullas, Principal Consultant-Hi Tech Industry, Tata Consultancy Services on TCS's Experience in China.

## Enhancing Industry - Academia Relationship

A group of 10 Masters students from Chinese University of Hong Kong visited Titan Industries Ltd, Hosur Road, Bangalore on 17 May 2010 to learn and get a glimpse of emerging India. This was followed by an Executive MBA group of 20 students from The George Washington University, Washington DC visiting Bangalore from 7 to 10 June 2010 to gain information on growth and strategies of international businesses followed by Indian companies and to learn of their journey to enter and grow in new international markets. The visits and discussions to Titan Industries Ltd, Ashok Leyland, Biocon Ltd and Bharat Electronics Ltd were very informative.

## Webinar on Direct Tax Code

The Finance Ministry, Government of India published a revised discussion paper on Direct Tax Code on 15 June 2010 and invited inputs from members of industry in various sectors. The thrust of the Code is to make the tax law simpler, stable and robust, with elimination of distortion, reducing scope for litigation and fostering voluntary compliance. With this background, CII Southern Region organised a Webinar on Direct Tax Code to collect inputs from member companies to enable CII to make representation on the proposed New Direct Tax Code. Mr K R Girish, Senior Tax Partner, KPMG, Bangalore addressed the participants on 24 June 2010. Over 70 members benefitted from this Webinar.

## Interactive meeting with Mr Abhay Thakur

At the Interactive Meeting organized by CII Karnataka of Mr Abhay Thakur, Indian Consul General to Ho Chi Minh City, Vietnam with members of Industry on 25 June 2010, Mr Thakur informed the participants that Vietnam as a country has a special focus from India's Look-East policy. Vietnam is the chair of ASEAN and the Indian Prime Minister, Mr Manmohan Singh will be visiting Vietnam in October 2010 for the ASEAN Summit. On the sidelines of the Summit will be the India-Vietnam Summit and a large business delegation will accompany the PM. An Indian Cultural Centre will shortly open in Vietnam and trade is increasing in India's favour.

Mr B Ramaswamy, Convenor of the Infrastructure Panel thanked the Consul General for his insights and looked forward to his assistance in developing trade and business for Indian companies.

## CII IN THE NEWS

### Panel to speed up GIM projects

THE INVESTMENTS WILL BOOST SMALL AND MEDIUM SECTORS

Praveena Sharma

BANGALORE: The Karnataka government has set up a panel to speed up GIM projects. The panel will consist of representatives from the government, industry and academia. The panel will meet regularly to discuss the progress of GIM projects and to identify the bottlenecks. The panel will also recommend measures to speed up the projects. The panel will be headed by the Chief Minister. The panel will also include representatives from the Confederation of Indian Industry (CII) and the Bangalore Chamber of Commerce and Industry (BCCI).



### Partnership with CII stronger after GIM: Yeddyurappa

Special Correspondent  
BANGALORE: Chief Minister B.S. Yeddyurappa has welcomed the suggestion made by the Confederation of Indian Industry (CII) that a joint task force consisting of government officials and the industry should be constituted to speed up GIM projects. He said that the partnership between the government and CII has become stronger after the formation of the task force.

### CM welcomes CII suggestion on GIM task force

Bangalore: Chief Minister B S Yeddyurappa on Thursday said that the government welcomes the suggestion made by the Confederation of Indian Industries (CII) to set up a joint task force comprising of government officials and CII representatives to track the progress of government projects. He said that the partnership between the government and CII has become stronger after the formation of the task force.



CII south region chairman S Gopalakrishnan, with Microsoft Corporation chairman Ravi Venkatesan, minister for large and medium industries Murugesh Nirani and CII Karnataka state council chairman Aron Ramani at the sixth India innovation summit-2010 in Bangalore on Thursday. The event was sponsored by CII.



Commencing path: Mr Suneeb Banerjee (from left), Chairman, Cement Industry Division, CII, and Managing Director, ACC Ltd, Mr C.M. Udasi, Public Works Excluding Ports and Inland Water Transport, and Mr S. Chandrasekar, Vice-Chairman, CII Karnataka State Council, at a seminar on Concrete Roads. (Courtesy: CII)

