

Indian banks' exposure in Lehman

According to an assessment by the Reserve Bank of India, 10 public sector banks and two private banks had an exposure of \$1.08 billion to the US financial major Wachovia Corporation, Washington Mutual, AIG, Lehman Brothers and the European financial institution, Fortis. About \$445.60 million was fund-based exposure, while \$634.20 million was non-fund based exposure. The exposures mainly consisted of derivative transactions (notional principal), investments, nostro balances (balance a bank maintains with a foreign bank in foreign currency), bank guarantees and foreign exchange exposures.

Shareholders oppose Hircio

Shareholders of AIG-listed Hircio, an investment vehicle of Mumbai-based realtor Hiraniandani group, have questioned a possible restructuring of the company that included acquisition of two firms run by the promoter family. However, the company was firm on going ahead with its plans. News reports quoted sources saying that "The board of directors of Hircio is firm on their plans to go ahead with the restructuring proposal, which includes the amalgamation of the operating companies." The move, they said, would benefit Hircio tremendously and would help boost its share prices.

Navy's Boeing deal

In an effort to strengthen the Indian Navy's intelligence gathering capabilities, India has signed its largest defence acquisition by ordering eight maritime aircraft from aerospace major Boeing. The government had approved the \$2.1 billion deal in its last Cabinet Committee on Security (CCS) meeting in 2008, after long negotiations between the Indian Navy and the Boeing Company.

Interestingly, the contract was not conducted under the US foreign military sales (FMS) programme, but as a direct commercial agreement between The Boeing Company and the Indian Navy.

Tata Tele merger move

Tata Teleservices Ltd (TTSL) has made a strategic move by merging its passive infrastructure business (mainly towers) with tower company Quippo Telecom to create a strong telecom infrastructure company. The merger with Quippo Telecom would create a Rs13,000-crore

Taro rebuffs Sun's proposals

Sun Pharma's efforts to reconcile the ongoing litigation with Taro Pharma by sending two amended proposals were rebuffed by the Israeli generic drug maker. Taro's management said it was hard to understand how Sun Pharma could expect that a proposal, which valued the entire equity interest in Taro at less than what Sun paid for Brandes' 8 per cent interest nearly one year ago, would be a realistic starting point for "a good faith settlement negotiation to resolve the current impasse". Sun Pharma

Ultra Mega Power Project, for other projects of the Anil Ambani-owned company. The issue arose when the Madhya Pradesh government recommended to the Central government the use of extra captive coal meant for Sasán USRR for other projects of RPower. An Empowered Group of Ministers, which considered the matter, granted permission, provided the power so generated would be sold through tariff-based competitive bidding. A writ petition filed by tvc in the Delhi High Court prayed that the allotment of the Sasán USRR to RPower be set aside. Alternatively, the petition said, the government decision allowing utilisation of coal from the captive blocks for Sasán should be quashed; or RPower restrained from using the coal for any project other than the Sasán USRR; or that the project itself re-tendered.

'Novel' SEZ in Gujarat

Entrepreneurship and Management Processes International (EMPI) is planning to set up a novel SEZ called Gujarat Vittal Innovation City (G-VIC) at an estimated cost of Rs11,500 crore. The company, chaired by former Central Vigilance commissioner N. Vittal, is said to be in close talks with international firms to partner the project. The company has also identified land near Valsad and is soon to begin the process of acquiring it.

NPCIL-NTPC in JV pact

Nuclear Power Corporation (NPCIL) and ntpc are ready to sign a joint-venture agreement for the development of two nuclear reactors with a generation capacity of 1,000 mw each. While NPCIL has a generation capacity of 4,153 mw, ntpc has an installed capacity of 29,500 mw. NPCIL would hold 51 per cent in the projects,



entity with 18,000 towers, making it the second largest firm in terms of number of towers across India. Quippo Telecom would hold 49 per cent in the new entity, while Tata Teleservices would hold the balance in Wireless-IT Info-Services Ltd (WITIL). However, Quippo Telecom would control the management.

at present holds 36 per cent in Taro, while the Levitt/Moors family holds 12 per cent.

Tatas against RPower

Tata Power Company moved court against the government's decision to allow Reliance Power Ltd the use of coal from the captive mines allotted for the Sasán