

THE RED LOTUS CONSULTING SERVICES

NEWSLETTER APRIL 2010

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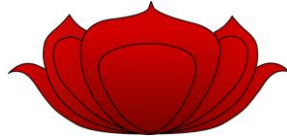
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NEWS FROM INDIA

ECONOMY

Rupee Gains Against Euro Too

In the last three months, rupee has appreciated 3.5 % against the dollar. In the same period, the Indian currency gained 10 % against the euro. On March 31, the rupee stood at 60.56 a euro, gaining around Rs 7 in three months.

ON THE UPTREND		
	\$-Rs	€-Rs
Dec 31, 2009	46.53	67.37
March 31, 2010	44.9	60.56
% change	3.5	10

According to bankers and analysts, there are two reasons for the rupee's rally against the euro. One is its overall strength on account of strong fundamentals of the Indian economy. The fiscal deficit is under control and investors are recognising India's growth potential. The other is the weakness of the euro and the pound on account of the fiscal deficit issues in European economies.

The rupee has been appreciating due to its inherent strengths and the expectation that the interest rates in India may go up further.

Since around 25 % of India's exports takes place in the euro, exporters who have their trading contracts in the euro have been hit and this has pushed them to hedge their positions.

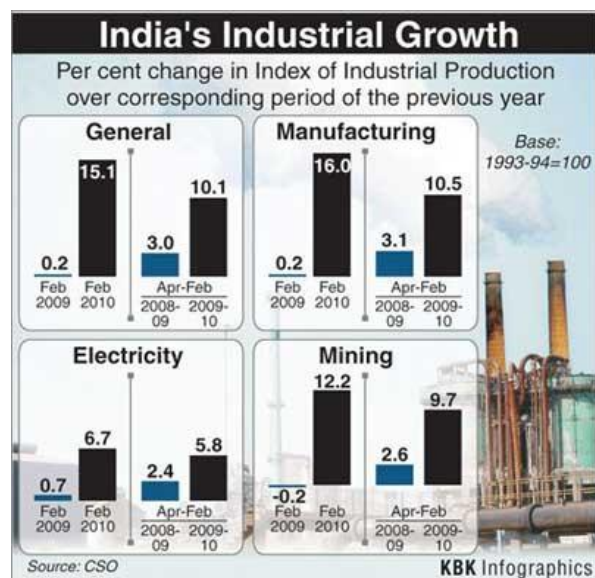
– THE HINDU BUSINESS LINE

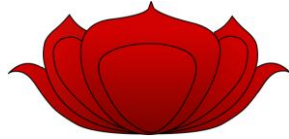
IIP Growth Slows

India's industrial output grew slower-than-expected in February, and output is expected to ease further following moves to withdraw an economic stimulus, including a interest rate hike in March.

Industrial output rose 15.1 % in February from a year earlier. The median forecast in a poll was for an annual rise of 16 %.

Capital goods rose 44.4 % on year, while consumer durable goods output grew by an annual 29.9 percent.





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Manufacturing production in Asia's third-largest economy rose 16.0 percent in February from a year earlier, while mining output was up 12.2 % and power generation rose 6.7 %.

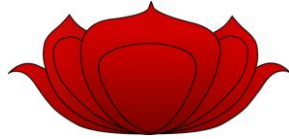
– *THE FINANCIAL EXPRESS*

India to grow @7.5-8.5%: CII Survey

India Inc expects the economy to grow by 7.5 to 8.5 % during the current fiscal fuelled mainly by rising capital investment and expanding exports, a Confederation of Indian Industries (CII) survey has said. CII Business Outlook Survey based on response from 458 companies.

The industry optimism was also expressed in the Business Confidence Index that rose to 67.6 points for April-September 2010-11, compared to 66.1 points during the second half of 2009-10, according to the survey.

– *THE FINANCIAL EXPRESS*



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BUSINESS

Vasan Eye Care plans 100 hospitals, €51 m (Rs 300 bn) expansion

Tamil Nadu-based hospital chain Vasan Eye Care Hospitals plans to touch 100 eye care hospitals within and outside the country by the end of 2011. The chain is said to be the country's largest network of eye hospitals, has lined up an investment of nearly €51 million (Rs 3 billion) for spreading to northern cities and three to four Asian countries.

They will be investing over €38 million (\$50 million) into the Indian market and over €15 million (\$20 million) in the overseas market in the next 18 months. Vasan Eye Care is a division of Vasan Healthcare Private Ltd of Tiruchi which started in 1947, runs two multi-specialty hospitals and three future facilities; 40 pharmacy outlets and 15 diagnostic centres in Tamil Nadu.

– *THE HINDU BUSINESS LINE*

Centre Removes Import duty on Dairy products

Concerned over the rising prices of milk, the government has removed the duty on skimmed milk powder (SMP) and other dairy products. In a notification issued by the revenue department, the dairy industry can import up to 30,000 tonnes SMP at zero duty in a financial year.

Earlier, the industry was allowed to import only up to 10,000 tonne SMP at 5 % duty under TRQ (tariff rate quota). Similarly, the government has allowed duty-free import of other milk products including white butter, butter oil and anhydrous milk fat up to 15,000 tonne in a fiscal. The demand for milk in India has been projected at 166 million tonnes by 2020.

– *F&B NEWS*

NOW IN INDIA

Weider Germany

the world leader in health, fitness, nutrition and body building supplements, has now introduced its flagship power burning product 'L-Carnitine Drink' in India.

– *F&B NEWS, Saturday, April 10, 2010*

French Connection (FCUK)

Britain's hi-fashion brand opened its free standing store in Mumbai that spreads over 2,000 sq.ft offers the latest Spring Summer 2010 collection for men and women.

– *INDIARETAILING, 12 Apr, 2010*

Diesel

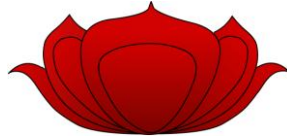
the Italian premium casual wear brand, has launched two stores in Mumbai. More stores each in Bangalore, Delhi and Hyderabad are planned. Diesel has tied up with Reliance Brands to launch their brand in the Indian market.

– *INDIARETAILING, 15 Apr 2010*

Hamleys

British toy retailer launched its first store in Mumbai at High Street Phoenix Mills. Spread over 21,000-square-feet, the UK-based brand has forayed into the Indian market through an exclusive 20-year pan India franchise agreement with Reliance Retail Ltd (RRL).

– *INDIARETAILING, 09 Apr 2010*



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India delays world's biggest fighter jet deal

India missed the deadline to complete the world's biggest fighter jet purchase in 15 years, risking a possible €773 million (\$1 billion) price increase as Boeing Co. and five rival manufacturers resubmit bids.

The Indian Air Force is still conducting flight trials for competing jets from Boeing, Lockheed Martin Corp. and four European firms, two years after accepting price quotes for 126 warplanes that the government said should cost around €7.7 billion (\$10 billion). The bids expired on 28 April, and the defence ministry has asked the manufacturers to submit offers for an additional year

Since the 1980s, no Indian government has made an open-bid arms purchase valued at as much as €77 million (\$100 million), or 1% of the fighter deal's size.

– *LIVEMINT, The Wall Street Journal*

Indian M&A space heats up, 54% cos upbeat on acquisitions

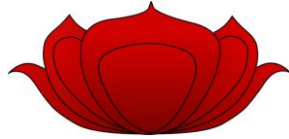
According to E&Y's 'Capital Confidence Barometer', published in April this year, optimism is growing in the Indian merger and acquisition (M&A) space, with focus shifting again from divestments to acquisitions. "About 54% of (Indian) businesses state they are likely or highly likely to acquire other companies in the next 12 months, almost double that of the number six months ago," the study stated the reasons being greater liquidity.

The survey also revealed that 91% of the respondents from India are more optimistic about the local economy, making India the second most optimistic country after Australia (93%).

In the global study, India had close to 60 respondents, and posted the 4th highest response rate at a country level.

Around 86% of businesses in India are now focused on growth, compared to 76% six months ago.

Furthermore, 22% of Indian respondents said funding major capital projects and acquisitions was not a problem for their firms, while 76% of them were expecting it to become available in the next 12 months. Refinancing was a sought after method, with close to 40% of the respondents likely to take this route in the next 12 months, it added. "Cash and debt were primary sources of funding deals for



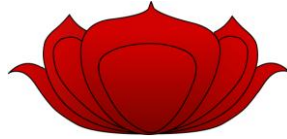
THE RED LOTUS CONSULTING SERVICES

the past 12 months. While this will continue to be so, dependency on bank loans is expected to decline and equity will be more likely used as a source of funding,” the survey added.

The study also said credit conditions in Bric (Brazil, Russia, India and China) countries have improved significantly over the past six months compared to developed markets, which have experienced a marginal improvement.

Interestingly, some of the Western developed markets were the least confident -- France (44%), US (56%) and UK (57%), it found.

– *LIVEMINT, The Wall Street Journal*



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INDO-FRENCH RELATIONS

BUSINESS

Darjeeling tea charms French hoteliers

French hospitality association Relais & Chateaux (R&C) is eyeing a tea estate in Darjeeling – Glenburn – to add to its membership list. Glenburn set up by a Scottish planter way back in 1896 is a 1,600-acre estate by the Kanchenjunga mountain range and houses about 10-12 rooms.

R&C has 486 members, including hotels and gourmet restaurants, across 58 countries. The group is looking to expand in India and believes it is a market with immense potential. At present R&C has five hotel members in India. It is looking to bring 15 Indian properties to its fold in the next two to three years.

– *F&B NEWS*

Renault to elbow Mahindra from driving wheel

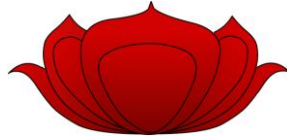
French carmaker Renault and India's Mahindra & Mahindra are likely to announce a restructuring of their joint venture and a revamp of the tie-up's Logan sedan. It is said that Renault will take a majority stake in the Indian venture, which is now 51%-owned by Mahindra. The joint-venture was formed in 2005 and launched the Logan in 2007.

– *FINANCIAL EXPRESS*

Danone India sees wealth in health

A year after its split with Britannia Industries, the French foods major's Indian subsidiary, Danone India, is quietly charting plans to grab a significant pie of the flavoured and value-added milk category. The task ahead is a tricky one. On one hand is the competition from co-operatives which occupy a lion's share of the market with their grassroot level distribution system. On the other are national players like Britannia and Nestle which have a strong customer connect. However, Danone is banking on its product innovation to make an impact.

In the first five months of operations in India, the company has launched three products — chocolate smoothies (Choco Plus) in Hyderabad, plain yogurts (Danone Dahi) and a range of flavoured yogurts



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(strawberry, mango and vanilla), in Pune and Maharashtra. It has partnered with Dynamix, as the co-manufacturer for Danone products in India.

– *BUSINESS STANDARD*

Lafarge faces difficulty

In a major blow to French cement giant Lafarge, the Supreme Court of India refused on 26 April to endorse the hasty environmental clearance given by the Ministry of Environment and Forests (MoEF) to the multinational to mine limestone in Meghalaya for its cement plant in Bangladesh. The court said the nod for resuming mining operations can be given to the company only after “proper study (of environmental impact) by specialised agencies”.

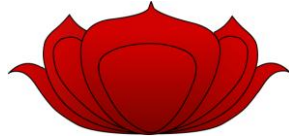
On February 5, the apex court had restrained Lafarge from continuing mining operations for extracting limestone to manufacture cement at the €-197 million (\$255-million) Lafarge Surma Cement project at Chhatak, Sunamganj, in Bangladesh. However, the Centre has been arguing for lifting the mining ban, since India is committed to help Bangladesh produce cement.

– *THE HINDU BUSINESS LINE*

Future Group signs pact with Carrefour

Future Group, India's largest retail operator with brands such as Pantaloon Retail and Big Bazaar, has signed a deal with French retailer Carrefour. Future Group plans to open between 150 and 300 Carrefour-branded hypermarkets in the next 5 years. Carrefour, which has been looking to crack the restrictive India market for 7 years, had said in February, this year that it was in talks with Indian firms as potential partners, but declined to name them.

– *REUTERS*



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POLITICS

India, France hold bilateral talks

The Prime Minister Dr. Manmohan Singh on 13 April held bilateral talks with the French President Nicolas Sarkozy after the opening plenary session of the Nuclear Security Summit here. Both the leaders are believed to have discussed bilateral relations, and issues of regional and international importance besides the threat posed by nuclear proliferation.

Both the leaders also reviewed the progress being made in civil nuclear cooperation between the two countries.

France and India have extensive strategic co-operation, with the military services of both nations conducting joint exercises.

India has purchased much military equipment from France, especially the French Mirage 2000 fighter aircraft and the Scorphe class submarines.

France was one of the few nations who did not condemn India's nuclear tests in 1998 and has supported India's bid to become a permanent member of the U.N. Security Council as well as G-8.

France is one of the largest suppliers of nuclear fuel to India, and signed a "Framework Agreement for Civil Nuclear Co-operation" in January 2008 during French President Nicolas Sarkozy's visit to India.

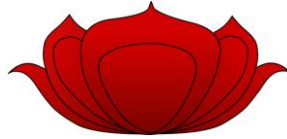
During the Prime Minister Dr. Manmohan Singh's visit to France after India's waiver from the Nuclear Suppliers Group (NSG), both nations signed an agreement that would pave the way for the sale of French-made nuclear reactors to India on September 30, 2008.

France and India also maintain a discreet "strategic dialogue" that covers joint cooperation against terrorism. However, India has objected to France's military assistance to Pakistan, with whom it is in conflict.

In July 2009 the French government invited the Dr. Manmohan Singh to be their chief guest at the French national day (Bastille day) celebrations.

Both countries pledged for closer economic, strategic and cultural cooperation on this occasion.

– ANI



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ECONOMY NEWS

INDIAN ECONOMY AT A GLANCE

FOREX RESERVES (\$ million)

<i>March 26, 2010</i>	<i>April 23, 2010</i>
\$ 278,193	\$ 279,476

INFLATION As on April 22

<i>week ending</i>	<i>corresponding week 2009</i>	
<i>April 10:</i>	17.65%	8.16%
<i>April 03:</i>	17.22%	

STOCK MARKET – SENSEX INDICES

Week ending on	Closed at	↑↓
26 Mar 2010:	17,644.76	
01 Apr 2010:	17,692.62	47.86 ↑
30 Apr 2010:	17,558.71	133.91 ↓

EXCHANGE RATE

	US\$	Euro
5 May	0.0223	0.0172

FRENCH ECONOMY AT A GLANCE

FOREX RESERVES (€ million)

<i>February 2010</i>	<i>March 2010</i>
€ 39,812	€ 41,594

INFLATION

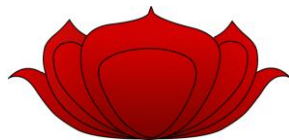
<i>Feb 2010-Mar 2010</i>	<i>Mar 2009-Mar 2010</i>
0.5%	1.6%

STOCK MARKET – CAC 40

Week ending on	Closed at	↑↓
26 Mar 2010:	3988.93	
01 Apr 2010:	4034.23	45.3 ↑
30 Apr 2010	3816.99	217.24 ↓

EXCHANGE RATE

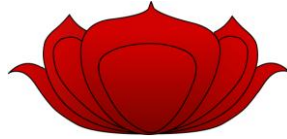
	US\$
5 May	1.2982



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IMPORTANT FAIRS IN INDIA IN MAY 2010

EXHIBITION	DATES	VENUE	SECTOR	ORGANISER	CONTACT
India International Light Fair	7-9 May 2010	Bombay Exhibition Centre(BEC) Mumbai,	Lighting	Conventions & Fairs (India) Private Limited	E 519, Floral Deck Plaza, Central MIDC Road, Opp SEEPZ, Andheri (East), Mumbai - 400 093, India Tel: 91 22 28398000 Fax: 91 22 28390502
Automotive Engineering Show	14 - 17 May 2010	Chennai Trade Centre	Automotive	Focussed Event Management Private Limited	Plot No. F/11 & F/12, WICEL, Opposite SEEPZ Main Gate Andheri (East), Mumbai - 400 093 India Tel: 91 22 32019137 / 40201000 Fax: 91 22 28324404



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ABOUT US

Founded by Mr. Jean-François Renault, The Red Lotus Consulting Services (TRLCS) assists you in developing your business in India by overcoming the challenges that a European company may face in its early years. Our company specialises in promoting and facilitating bi-lateral business ties between European and Indian companies.

TRLCS can be your partner in starting your venture in India given Mr. Renault's experience of working for and with European companies in India acquired over the last 5 years.

Our team consists of qualified consultants that provide the necessary internal and local support required by a foreign company looking to enter the Indian business scenario.

Our Services are as below:

Research Products

Project Analysis
Feasibility Study
Market Study
Market Operation Strategy
Market Intelligence

Scouting for the right Indian partner

Exploratory mission
Identification and shortlisting of potential partners
Organising a B2B
Assistance in negotiating the terms of contract
Follow-up on the Indian partner

Incorporation of a company

Consultancy on form of company
Legal consultancy
Registration of trademarks and patents
Setting up of branch/ rep. offices, subsidiary & JV
Identification of real estate properties
Assistance in acquiring and in setting up factories
Setting up of sales networks
Marketing and trade promotion activities
Representation in sectoral fairs
Identification of agencies for brand promotion
Recruitment support

Sales representation

Exploratory mission
Identification of potential clients
Assistance in negotiating the terms of contract
Follow-up and Tracking of Orders
Assistance and supervision in importation

Sourcing

Feasibility study
Identification of potential suppliers
Assessment and selection
Assistance in negotiations
Follow-up and Tracking of Orders
Supervision of your exports from India

Other

Dossiers on the existing laws
Dossiers on the tax system
Dossiers on the on the import duties
Monthly / Quarterly Newsletter
Intercultural Training

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