

INDIAN JOINT VENTURES ABROAD

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The Third World in general comprises a group of countries which are at a far lower level of economic activity than the industrially advanced societies. There are large disparities between the developed and developing economies; and indications are that this gap is further widening¹. The Third World is undoubtedly distinguished by a low level of industrialization but there do exist substantial variations among the member nations. There are countries which have a long history of civilisation, as also others which are young and/or of a near nomadic character.² On the one side there is India, a prominent member of the Third World, which stands fourth in the world in terms of the size of the trained pool of manpower resources, and on the other there are many African states wherein the number of persons studying beyond the graduate level can virtually be just a few hundred.³

Most of the Third World countries have had a colonial past. While most of them have achieved political independence, their economies continue to depend for survival and change on the erstwhile colonial masters or other advanced nations. Foreign private investments and the main trading partners happen to be the richer nations. For a variety of factors the extent of dependence is getting enhanced. It is in this background that a widely shared view has been emerging that the Third World countries should co-operate among themselves for mutual benefit ('collective self-reliance' in the words of J.K. Nyerere) as also to avoid exploitation by the developed countries and the multinational corporations supported by them.⁴ The Third World countries, however, have yet to fully operationalize the generally agreed principle of mutual cooperation.⁵ Many of the Third World countries are yet not equipped with adequate expertise, knowledge and information on global issues so as to fully appreciate the implications of mutual cooperation. On the other hand, the developed nations, have a mature system of interaction, information exchange and a well coordinated system of protecting their economic interests in the Third World. Economic cooperation in the form of trade, between the rich and the individual poor countries has a built in bias in favour of the rich. There is, of course, growing political awareness among the Third World countries to promote mutual cooperation to enhance their bargaining capabilities *vis- a-vis* the rich nations.⁶

The thrust for the mutual cooperation among the Third World countries has found

1. Willy Brandt, North-South: A programme for survival. A Report of the Independent Commission on International Development Issue, 1980, London.

2. World Bank, World Development Report, 1987.

3. Ibid.

4. Castro, Fidel The World Economic & Social Crisis, Reports to the Seventh Summit Conference of Non-Alligned Countries, 1983, p. 211- 216.

5. This objective is likely to be furthered by the South-South Commission which is soon to begin its work. In addition to the Chairman, J.K. Nyerere, Prof. Manmohan Singh has joined the commission as full time Chief Executive.

6. Wells, L.T., Third World Multinationals, 1983, Cambridge, MIT.

varying expressions, namely: 'Technological Cooperation among Developing Countries'(TCDC); 'Economic Cooperation among Developing Countries'(ECDC); 'South-South Cooperation'; the Colombo Plan for Co-operative Economic Development in South and South East Asia in (1950); the Non-aligned Nations (NAM) meets since 1955; UNCTAD meetings since 1964;⁷ the 'South Asian Association for Regional Cooperation' (SAARC) and so on. The sixth UN General Assembly in 1974 adopted a 'Declaration of Programme of Action' for the establishment of a 'New International Economic Order' (NIEO), which envisaged more active economic relationships among the developing countries.

India is committed to foster and enhance economic cooperation among the non-aligned and developing countries. It has taken a prominent role at the UNCTAD as a member of the 'Group of 77' and Non-aligned summits from time to time. A special emphasis was placed at the second UNCTAD meet convened in 1968 in New Delhi for promoting international cooperation and self-reliance among the developing countries. The Export Policy Resolution of 1970 of the Government of India laid a special emphasis on the need towards strengthening the economic links with other developing countries.⁸ India's commitment was once again re-affirmed at the UNIDO Third General Conference⁹ in 1980 in New Delhi and the 1983 NAM summit. India's approach to enlarged South-South cooperation, however, is not new. Its roots go back to the country's struggle for political independence from the colonial rule. The Indian political leadership has always stood for the struggling people against imperialism and exploitation. Indian concern has, in particular, been repeatedly expressed with reference to countries of Africa. The political leadership in India has been conscious of the need to extend their helping hand to other nations which happen to be even less fortunate than India. The need for mutual cooperation was included as an agenda in the *Third Five Year Plan*. It observed :

Assistance from international agencies and from one country to another has a significance no less for the economic progress of the less developed countries than for the building up of a world community in which each country contributes to the development of others according to its capacity. This is an obligation which India fully accepts and, as her own economy develops, within the limits of her resources, she will endeavour to share her experience with other developing nations.¹⁰

The need for mutual cooperation among the Third World countries is well argued, understood and accepted. The real question is with regard to the forms of cooperation.

^{7.} See also studies Commissioned by UNTAD : Ram Gopal Agarwal, Joint Ventures Among Developing Countries, UNCTAD TD/B/AC. 19/1975; Autouio cases - Gonzalez, 'Joint Ventures Among Latin American Countries', UNCTAD. TD/B/AC.19/R.2, October, 1975

^{8.} Cf. Export Policy Resolution 1970, as reproduced in INDIA, Ministry of Commerce, Annual Report : 1973-74.

^{9.} UNIDO, Industry 2000 : New Perspectives, Third General Conference of UNIDO, New Delhi, January 21-February 8, 1980.

^{10.} INDIA, Planning Commission, Third Five Year Plan, 1964-69, p. 27.

Should the cooperation be in trade, technology sharing, experience and man-power pooling, collective bargaining, joint production plans, information exchange and training or encouraging private inter-country investments through establishment of joint ventures?

Each form of cooperation would have its own short and long term economic and political implications. For instance, if a country from the South decides to affect a change in the source of imports (from one advanced country to a constituent of the South) it would directly imply a cut in implied patronage to manufacturers and suppliers in the former supplier country. Such a shift may lead to snapping or curtailment of 'aid', 'assistance' and other bi-lateral agreements of the two countries. One may also appreciate that substantial shifts in international trade are not easy to achieve since the Third World imports are closely linked to sources of international finance and non-financial infrastructural facilities. The present day international economic order is a product of history and interplay of forces of in-equality. The relationships were determined during the colonial era and in essence these have continued in spite of new political status. Even in technology sharing, a question arises whether Third World country should settle for lower level of technologies when there were well known and proven higher level technologies already available. Whatever might be the macro and political considerations it would seem to be indeed a hard choice to make. Even in matters of collective bargaining the power of pressure groups, lobbies and capabilities of the well entrenched vested interests can not be wished away. One is fully aware of the processes and difficulties faced by the leaders of the trade unions in achieving collective bargaining. If employers can promote dissensions among the labour community the few advanced nations (or TNCs) may be obliged to defend and promote their economic interests by resort to all practices and resources at their command to divide the Third World. The difficulties involved in promoting South-South cooperation should also be viewed in terms of the reality that Third World member countries do happen to have a wide variety of shades in the character of the state and socio-political systems. The processes of decision making and the importance of home elites and their motivations are not the same in all countries of the Third World. One may also keep in mind that the significance and control of foreign private capital, already in operation, varies from one country to another. Thus, while there may be a general agreement among political leaders of the Third World to pursue the ideals of 'collective self-reliance', the task of operationalisation of South-South cooperation is ridden with a host of difficulties and many a contradiction.

The 'seventies saw a good deal of conscious international resolve to seek basic and structural changes in the international economic order. The problem of the Third World's continuing and deteriorating poverty was well known; but the adoption of the resolution on the New International Economic Order (NIEO) by the United Nations in 1974 can be taken as a land mark. The Lima Declaration (1975), ILO's Programme on Basic Needs Strategy (1976), Caracas Programme of Action (1981) and constitution of the South-South Commission (1987) are all aimed at translation of the ideals of collective self-reliance into reality. While the nature of the NIEO is being actively debated it is necessary to critically examine and review different forms of the South-South cooperation. This probably is the

reason for many a scholar directing their attention to the implied and un-avoidable consequence of direct private investments in the Third World originating from within the Third World countries. The important studies in this regard are: Kumar, Krishna and Maxwell G McLeod, (ed.), *Multinationals from Developing Countries*; by Altaf Gauhar, (ed.), *South-South Cooperation*; Breda, Pelvic, et al (ed.), *Challenges of South-South Cooperation*; Wells, L.T., 'Third World Multinationals', and Kushi M Khan, (ed.), *Multinationals of the South - New Actors in the International Economy*. A wide variety of issues have been raised in these studies. The characteristics of the South-South joint ventures underlined are: (a) South-South cooperation is a philosophy of mutual help in the framework of rich nations versus the poor ones; (b) The poor nations have more similarities between themselves and therefore the technologies from another Third World country are more relevant, this being particularly so in matter of labour intensity and product mix; (c) while investors from rich nations would be TNCs, the investments from the Third World would not have the force of imperialist powers and these would be joint ventures and not subsidiaries as was true of TNCs. On the other hand the shortcomings of the South-South cooperation in the form of joint ventures would be: (a) lower level of technology transfer, (b) limited capabilities of the South-South joint ventures to mobilise capital, and (c) incapability of joint ventures to assist exports since markets in the industrialised countries are controlled by the TNCs originating in the North. Attention has been paid to the motivations of the joint ventures, and pull and push factors have been identified in empirical studies.

The focus of this paper is somewhat different than of the earlier studies. An effort is made to classify Indian Joint Ventures (IJVs) according to business associations at home and view the Indian joint venture companies from the viewpoint of implications at home.

India, is one of the largest sources of private investments in the Third World. The arguments in favour of India's participation in industrialising fellow developing countries generally run along the following lines. The managerial and business experience of India could be of direct relevance to other developing countries. India can offer her experience and expertise in building the infrastructural facilities right from the stage of planning and designing to installation and operation. While India has been importing technologies from developed countries it has also taken steps to adapt these to its needs. Having put them into use and gaining experience in adapting them to its needs, in a way, India could be a potential source of technology which is more suitable to the capital scarce and labour surplus developing countries. It was sometime in the mid-sixties that a decision to permit Indian joint ventures¹¹ in the Third World countries was taken. The focus of attention at that time was the African continent. Since then the support to the joint venture concept has continued, but there appears to have been a marked shift in the rationale and expectations

¹¹. A deligation was sponsored during September - October, 1964, by the Federation of Indian Chambers of Commerce & Industry (FICCI), under the Chairmanship of Murugappa Chettiar.

from the Indian joint ventures abroad. At the time of the initial decision the Indian government seems to have been aware of the fact that private investors could create problems for India since national interests and private interests need not necessarily coincide. In view of this it was clearly spelled out that IJV shall not be allowed to operate on terms which India as a host country would not accept for foreign investors. The IJV were prohibited to establish 100 per cent enterprises. The maximum Indian equity that a IJV could have was fixed at 49 per cent. This basic policy decision was permitted to be ignored in practice. By 1967- 68 the IJVs were sought to be promoted as instruments of promoting Indian private interests abroad in term of (i) acquiring larger assets in the host countries; (ii) export markets; and (iii) rich and high profit bearing investments. To help this process India instituted export subsidies, export credit, finance, through bilateral agreements for IJV. The Indian Policy, obviously influenced by the demands originating from the vocal and influential big houses, has tended to become very similar to that of other advanced nations, who support home investors outside their national boundaries.

The latest guidelines issued by Government of India regarding IJVs are given in *Annexure-1* of this paper. The applications for joint ventures are approved by the Inter-ministerial Committee under the Ministry of Commerce. The overall regulation of IJVs is covered by the *Foreign Exchange Regulation Act, 1973* (FERA). To facilitate and encourage IJVs, the Government of India has taken steps to collect and disseminate data by establishing economic divisions in the Ministries of Commerce, External Affairs, Industry, and Indian Embassies outside. Indian Investment Centre (IIC) is also expected to play an important role by gathering data regarding the opportunities for overseas projects and for this IIC has set up offices to collect business information.

The Federation of Indian Chamber of Commerce and Industry (FICCI), one of the largest private sector association of business and industry has been active in promoting the idea of joint ventures with other developing countries. The FICCI works out the details for overseas ventures by sending its delegates to different countries and by setting up of Joint Business Councils with other countries.

The present study confines itself to a review of the development of cooperation through promotion of joint venture projects as set up by the Indian private and public sector undertakings abroad. The main emphasis is obviously on investments in other developing countries. The study also seeks to examine--

- i) the main characteristics of the Indian investors abroad;
- ii) the nature of activities undertaken by them; and
- iii) how far IJVs are in conformity with the envisaged objectives.

We also examine the spatial/geographic spread of the IJVs. There are a wide variety of questions relating to the contribution made by the joint ventures in host countries and the problem faced or created by them. How different are the experiences of the host countries in dealing with IJVs *vis-a-vis* private corporations originating from the developed world? Are they materially different from each other? To examine such issues one would

need to have a multi-country project.

The data and information on IJVs abroad is obtained mainly from the Indian Investment Centre (IIC), the Ministry of Commerce, and Company Annual Reports. The reference point for the study is August, 1986. The IIC information is confined to:

- i) name and address of the Indian Collaborator;
- ii) name and address of the Foreign Collaborator;
- iii) field of collaboration;
- iv) the amount of equity capital held by the Indian collaborator in Indian currency;
- v) date of approval of project; and
- vi) the status of the project i.e. whether it is 'in operation' or 'under implementation'. If it is in operation, the month and year of commencement of production is also given.

The ownership character and association of the Indian partners involved in the IJVs has been determined on the basis of the compilations available at the Corporate Studies Group, Indian Institute of Public Administration, New Delhi. The official information on IJVs has been found to be incomplete on many counts. The official sources do not cover all investments abroad by Indian investors. Because of a technical reason, probably, "Wholly owned subsidiaries" and the investments through "inter-corporate investments" by the Indian companies established outside India do not find a place in the data compiled by the official agencies. One finds that some of the subsidiaries of Indian companies have corporate investments abroad and have even floated new companies abroad. This does not get reflected in the official data. There are also some cases in which Indian companies and their subsidiaries or associates have invested outside India in officially recognized joint ventures which were approved in the name of other companies. Such investments are also not taken note of by the official agencies. It was explained by the Ministry of Commerce that these investments are not treated as joint ventures.¹² An illustrative list of companies, incorporated outside India, in which Indian companies hold investments but which are not treated as IJVs abroad by the official agencies are given in *Annexure-2*.

The first case of an IJV abroad was the textile mill established by the Birlas in Ethiopia. This venture commenced operation in 1964. But the process of Indian capital going abroad gained momentum only during the 'seventies. Out of the total 190 IJVs abroad which were 'in operation' and 'under implementation' in August 1986, only 19 had been 'in operation' prior to 1971 (See Table-1). The number of IJVs after 1982 declined. (See Graph-1).

¹² In reply to an unstarred question, the Parliament was informed that "Companies formed abroad, with Indian Companies participating in equity with foreign collaborators, are treated as Joint Ventures. Companies set up abroad wholly owned by Indian holding companies are treated as Subsidiaries". Cf. Lok Sabha Unstarred Question No. 3224, answered on 8th August, 1986.

The most significant upswing in the number of IJVs, was during 1979-1982. This was almost immediately followed by a steep fall in the total number of IJVs. Out of the total of 190 IJVs in 1986, 147 are reported to be in operation; and 43 are at various stages of implementation.

Geographical Distribution:

One finds, (See Table-2 and Graph-2) that in numbers the IJVs are concentrated in the South East Asian countries. Out of the 147 IJVs in operation, 61 are located in this region alone (41%). In other regions, the number of operating IJVs are more or less evenly distributed. For America and Oceania the percentage share was 4 and 3, respectively. Even if one goes by the number of projects that are being implemented, approximately 20 percent each of the total are located in the South East Asia, Africa, South Asia and Europe regions.

If one goes by the size of the equity capital, instead of the number, one finds that the degree of concentration of IJVs in the South East Asia is more pronounced, i.e. more than half of the overall investments under the IJVs are accounted for by South East Asia alone (Column 3, Table-2). Similarly, Africa claims nearly 37 per cent of investments with only 16 per cent of the IJVs. The combined share of the two regions, in the operating IJVs, is nearly nine-tenths of the capital investments. One finds a slightly better dispersal of equity in the projects that are still under implementation. In the case of these IJVs, South East Asia, Africa and South Asia put together account for 80 percent of the total equity. The projects under implementation account for nearly one-fifth of the total Indian equity. Even if one looks at the total, South-East Asia and Africa account for nearly 85 per cent of the total Indian equity.

Table - 1**Showing Yearwise Distribution of Indian Joint Ventures Abroad**

(Numbers)

S.No	Year	In Operation	Under Implementation	Total
	(1)	(2)	(3)	(4)
1.	Before 1970	19	-	19
2.	1971	24	-	24
3.	1972	29	-	29
4.	1973	35	-	35
5.	1974	48	-	48
6.	1975	60	1	61
7.	1976	70	2	72
8.	1977	88	5	93
9.	1978	99	16	115
10.	1979	114	23	137
11.	1980	127	44	171
12.	1981	115	92	207
13.	1982	134	94	228
14.	1983	154	81	235
15.	1984	157	79	236
16.	1985	158	52	210
17.	1986 (Aug.)	147	43	190

Source: Data upto 1982 are based on the information provided by the Indian Investment Centre's note on Indian Joint Ventures Abroad and for the subsequent years from the Ministry of Commerce Annual Reports.

Graph - 1**Growth of Indian Joint Ventures Abroad (1971-1986)**

Table - 2

Regional Distribution of Indian Joint Ventures Abroad

(Amount in Rs. '000)

S. No	Region	In Operation		Under Implementation		Total	
		No.	PUC	No.	PUC	No.	PUC
(1)		(2)	(3)	(4)	(5)	(6)	(7)
A: Developing Countries							
1	South East Asia	61 (41.50)	4864.33 (53.83)	9 (20.93)	501.42 (25.99)	70 (36.84)	5365.75 (48.93)
2	Africa	23 (15.65)	3359.62 (37.18)	8 (18.60)	563.06 (29.18)	31 (16.32)	3922.68 (35.77)
3	South Asia	21 (14.29)	213.53 (2.36)	9 (20.93)	448.76 (23.26)	30 (15.79)	662.29 (6.04)
4	West Asia	17 (11.56)	237.62 (2.63)	4 (9.30)	66.47 (3.44)	21 (11.05)	304.09 (2.77)
5	Oceania	3 (2.04)	23.22 (0.26)	1 (2.33)	52.90 (2.74)	4 (2.11)	76.12 (0.70)
6	Total of 1 to 5	125 (85.03)	8698.32 (96.26)	31 (72.09)	1632.61 (84.60)	156 (82.11)	10330.93 (94.21)
B: Developed Countries							
7	Europe	16 (10.88)	316.26 (3.50)	8 (18.61)	151.62 (7.86)	24 (12.63)	467.88 (4.27)
8	America	6 (4.08)	21.26 (0.24)	4 (9.30)	145.36 (7.53)	10 (5.26)	166.62 (1.52)
9	Total of 7 and 8	22 (14.97)	337.52 (3.74)	12 (27.91)	296.98 (15.40)	34 (17.89)	634.50 (5.79)
10	Total of 6 and 9	147 (100.00)	9035.84 (100.00)	43 (100.00)	1929.59 (100.00)	190 (100.00)	10965.43 (100.00)

Source: Based on the data provided by the Indian Investment Centre: Factsheets on Indian Joint Ventures Abroad for the period ending 20th August, 1986.

Graph - 2**Geographical Distribution of Indian
Joint Ventures Abroad (Nos.)**

In all, India's joint ventures are spread over 35 countries, both developing and developed. Table-3 shows the countrywise break-up of IJVs. Number-wise Malaysia, Srilanka, Singapore, Nigeria, and U.K. occupy the top five positions respectively, i.e., two countries from South East Asia, and one each from South Asia, Africa, and Europe. The five countries account for nearly 50 per cent of the total number of IJVs. In terms of equity participation Thailand, Indonesia, Malaysia, Senegal, and Kenya occupy the top five portions. Nearly 65 per cent of the total Indian equity is shared by the five countries.

Equity Participation in IJVs:

According to the official *Guidelines* regarding IJVs it has been a declared policy that the nature of Indian participation should be of minority and the maximum level of shareholding was fixed at 49. The host country collaborator, banks, financial institutions, as per the *Guidelines* should generally be given preference to participate in the equity. It is also envisaged that equity participation from India should be in the name of the

Table - 3
Country-wise Distribution of Indian Joint Ventures Abroad

		(Rs. Lakhs)					
S.No.	Country	<u>In Operation</u>		<u>Under Implementation</u>		<u>Total</u>	
		No.	Equity	No.	Equity	No.	Equity
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Thailand	9 (6.12)	1488.68 (16.48)	2 (4.65)	89.30 (4.63)	11 (5.79)	1577.98 (14.39)
2	Indonesia	11 (7.48)	1452.75 (16.08)	0 (0.00)	0.00 (0.00)	11 (5.79)	1452.75 (13.25)
3	Malaysia	23 (15.65)	1389.34 (15.38)	3 (6.98)	44.83 (2.32)	26 (13.68)	1434.17 (13.08)
4	Senegal	1 (0.68)	1421.80 (15.74)	0 (0.00)	0.00 (0.00)	1 (0.53)	1421.80 (12.97)
5	Kenya	6 (4.08)	1120.68 (12.40)	2 (4.65)	34.90 (1.81)	8 (4.21)	1155.58 (10.54)
6	Singapore	15 (10.20)	485.65 (5.37)	3 (6.98)	366.33 (18.98)	18 (9.47)	851.98 (7.77)
7	Nigeria	12 (8.16)	755.81 (8.36)	3 (6.98)	76.18 (3.95)	15 (7.89)	831.99 (7.59)
8	Nepal	5 (3.40)	111.05 (1.23)	5 (11.63)	307.59 (15.94)	10 (5.26)	418.64 (3.82)
9	Seychelles	0 (0.00)	0.00 (0.00)	1 (2.33)	307.63 (15.94)	1 (0.53)	307.63 (2.81)
10	Sri Lanka	16 (10.88)	102.49 (1.13)	4 (9.30)	141.18 (7.32)	20 (10.53)	243.67 (2.22)
11	Yugoslavia	1 (0.68)	238.00 (2.63)	0 (0.00)	0.00 (0.00)	1 (0.53)	238.00 (2.17)
12	USA	6 (4.08)	21.26 (0.24)	4 (9.30)	145.36 (7.53)	10 (5.26)	166.62 (1.52)
13	Egypt	1 (0.68)	17.44 (0.19)	1 (2.33)	117.60 (6.09)	2 (1.05)	135.04 (1.23)
14	UK	10 (6.80)	34.57 (0.38)	4 (9.30)	96.76 (5.01)	14 (7.37)	131.33 (1.20)
15	UAE	9 (6.12)	131.24 (1.45)	0 (0.00)	0.00 (0.00)	9 (4.74)	131.24 (1.20)
16	Saudi Arabia	4 (2.72)	72.47 (0.80)	2 (4.65)	41.96 (2.17)	6 (3.16)	114.43 (1.04)
17	Solomon Islands	0 (0.00)	0.00 (0.00)	1 (2.33)	52.89 (2.74)	1 (0.53)	52.89 (0.48)

(Contd...)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
18	Mauritius	2 (1.36)	15.82 (0.18)	1 (2.33)	26.75 (1.39)	3 (1.58)	42.57 (0.39)
19	West germany	2 (1.36)	40.39 (0.45)	0 (0.00)	0.00 (0.00)	2 (1.05)	40.39 (0.37)
20	Philippines	1 (0.68)	39.95 (0.44)	0 (0.00)	0.00 (0.00)	1 (0.53)	39.95 (0.36)
21	Cyprus	0 (0.00)	0.00 (0.00)	1 (2.33)	29.26 (1.52)	1 (0.53)	29.26 (0.27)
22	Uganda	1 (0.68)	28.06 (0.31)	0 (0.00)	0.00 (0.00)	1 (0.53)	28.06 (0.26)
23	Oman	1 (0.68)	8.20 (0.09)	1 (2.33)	19.11 (0.99)	2 (1.05)	27.31 (0.25)
24	Greece	0 (0.00)	0.00 (0.00)	1 (2.33)	25.22 (1.31)	1 (0.53)	25.22 (0.23)
25	Kuwait	1 (0.68)	22.05 (0.24)	0 (0.00)	0.00 (0.00)	1 (0.53)	22.05 (0.20)
26	Fiji	1 (0.68)	14.03 (0.16)	0 (0.00)	0.00 (0.00)	1 (0.53)	14.03 (0.13)
27	Hong Kong	2 (1.36)	7.96 (0.09)	1 (2.33)	0.96 (0.05)	3 (1.58)	8.92 (0.08)
28	Australia	1 (0.68)	7.20 (0.08)	0 (0.00)	0.00 (0.00)	1 (0.53)	7.20 (0.07)
29	North Yemen	0 (0.00)	0.00 (0.00)	1 (2.33)	5.40 (0.28)	1 (0.53)	5.40 (0.05)
30	Bahrain	2 (1.36)	3.66 (0.04)	0 (0.00)	0.00 (0.00)	2 (1.05)	3.66 (0.03)
31	Switzerland	1 (0.68)	1.63 (0.02)	1 (2.33)	0.38 (0.02)	2 (1.05)	2.01 (0.02)
32	Tonga	1 (0.68)	1.99 (0.02)	0 (0.00)	0.00 (0.00)	1 (0.53)	1.99 (0.02)
33	Netherlands	1 (0.68)	0.86 (0.01)	0 (0.00)	0.00 (0.00)	1 (0.53)	0.86 (0.01)
34	Gibraltar	1 (0.68)	0.81 (0.01)	0 (0.00)	0.00 (0.00)	1 (0.53)	0.81 (0.01)
35	Hungry	0 (0.00)	0.00 (0.00)	1 (2.33)	0.00 (0.00)	1 (0.53)	0.00 (0.00)
	Total	147 (100.00)	9035.84 (100.00)	43 (100.00)	1929.59 (100.00)	190 (100.00)	10965.43 (100.00)

Source: Based on the data provided in the Indian Investment Centre: Factsheets on Indian Joint Ventures Abroad for the period ending 20th August, 1986.

Note : Figures in parantesis are the per centages of Total

company registered under the *Companies Act 1956*. We find that there are IJVs promoted by individuals though participation in joint ventures by individuals is not permitted. According to another expectation, Indian equity participation should be preferably in the form of export of capital goods, equipment etc and/or by way of capitalisation of technical know-how fees, consultancy fees, royalties etc. we do, however, find a clause under which the general rule can be set aside and cash remittances permitted, based "on the merit of the case"!

Table-4 shows the distribution of joint ventures in different equity ranges. Out of 190 IJVs for two companies the pattern of equity participation is not available. For purpose of the analysis the extent of the Indian equity participation is divided into six ranges. A significant number of the total projects in operation and those under implementation fall under the range 40-<50 per cent of equity participation i.e. 62 out of 190 (32 per cent). This is followed by the 25-<40 per cent range with 41 joint ventures (21 per cent). More than 50 per cent of the IJVs fall in the range of 25-<50 per cent of Indian Equity participation. There are 39 (20 per cent) cases with 50-<75 per cent equity range and 8 (4 per cent) with 75 per cent and above equity participation. Indian equity participation in the 0-<25 range, was limited to 20 per cent of the total number of IJVs. The highest level of Indian equity participation (i.e., 90 per cent) was by M/s. United Builders Co. (I) Pvt. Ltd, which established a real estate investment and development project in the USA. Both the IJVs in operation and those under implementation exhibit more or less a similar behaviour in respect of equity share. The above distribution has to be seen in the background of the decision of the government of India to permit generally not more than 49 per cent equity participation.

A related issue to support IJVs, as a part of the South-South cooperation, has been that Indian investors would always have host country partners who would be involved in management as also trained in the spirit of cooperation. This was to be a distinguishing feature of the joint ventures from the South. With the limited information one is not able to assess the extent to which this objective has been pursued. If, however, the claim of the Federation of Indian Chambers of Commerce is of any significance there seems to be no special desire to manage joint ventures jointly. The FICCI observes: "Notwithstanding low capital base and small shareholding", Indian partners in most of joint venture projects have been given the responsibility of managing the units and some of them have undoubtedly made a mark.¹³

Area of Operation:

An important assumption in promoting joint ventures under the South-South cooperation has been that the joint ventures originating from the South would transfer technologies which have been adapted to Third World environment -- more appropriate

^{13.} Federation of Indian Chambers of Commerce and Industry, (FICCI), Workshop on Indian Joint Ventures Abroad and Project Exports : Report, 1982, Part - II, p. 6.

Table - 4

Showing Distribution of IJVs according to the Share of Indian Equity

(Amount in Rs. '000)

S. No	Equity Range	In Operation		Under Implementation		Total	
		No.	Amount	No.	Amount	No.	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	0 - <10	8 (5.44)	120.97 (1.34)	3 (6.98)	116.85 (6.06)	11 (5.79)	237.82 (2.17)
2	10 - <25	27 (18.37)	2895.16 (32.05)	2 (4.65)	86.04 (4.46)	29 (15.26)	2981.20 (27.18)
3	25 - <40	27 (18.37)	1879.83 (20.80)	14 (32.56)	569.56 (29.52)	41 (21.58)	2449.39 (22.34)
4	40 - <50	49 (33.33)	2695.73 (29.83)	13 (30.23)	444.73 (23.05)	62 (32.63)	3140.46 (28.64)
5	50 - <75	30 (20.41)	1218.21 (13.48)	9 (20.93)	304.57 (15.78)	39 (20.53)	1522.78 (13.89)
6	75 and above	6 (4.08)	225.94 (2.50)	2 (4.65)	407.85 (21.13)	8 (4.21)	633.79 (5.78)
7	TOTAL	147 (100.00)	9035.84 (100.00)	43 (100.00)	1929.60 (100.00)	190 (100.00)	10965.44 (100.00)

Source: Based on the data provided by the Indian Investment Centre: Factsheets on Indian Joint Ventures Abroad for the period ending 20th August, 1986.

Note: - Figures in parenthesis are percentages calculated with respect to Totals column

product mix, the relevant industry experience, adoption of the labour intensive technology and fast transfer of production technologies. In view of these assumptions one needs to examine the nature of the industrial activities undertaken by the IJVs. We have classified IJVs according to their nature of activities under seven heads. These are: Manufacturing, Trading, Construction, Consultancy, Hotels, and Financial services. The remaining are clubbed under the Miscellaneous category. Table-5 shows sector-wise distribution of the IJVs.

Table - 5

Distribution of IJVs according to the Field of Operation and the Status of the Project

(Rs. '000)

Field of Operation	Indian Equity Participation					
	In Operation		Under Implementation		Total	
	No.	Amount	No.	Amount	No.	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Manufacturing	92 (62.59)	8510.71 (94.19)	21 (48.84)	1044.43 (54.13)	113 (59.47)	9555.14 (87.14)
Hotel	15 (10.20)	78.93 (0.87)	6 (13.95)	558.72 (28.96)	21 (11.05)	637.65 (5.81)
Trading	16 (10.88)	72.13 (0.80)	7 (16.28)	135.55 (7.02)	23 (12.11)	207.68 (1.89)
Construction	8 (5.44)	134.97 (1.49)	4 (9.30)	44.92 (2.33)	12 (6.32)	179.89 (1.64)
Conslutancy	2 (5.44)	63.13 (0.70)	3 (6.98)	32.93 (1.70)	11 (5.79)	96.06 (0.88)
Miscellaneous	2 (1.36)	8.48 (0.09)	2 (4.65)	113.04 (5.86)	4 (2.10)	121.52 (1.11)
Financial	6 (4.09)	167.49 (1.86)	- (-)	- (-)	6 (3.16)	167.49 (1.53)
Total	147 (100.00)	9035.84 (100.00)	43 (100.00)	1929.59 (100.00)	190 (100.00)	10965.43 (100.00)

Source: Based on the data provided in the Indian Investment Centre: Factsheets on Indian Joint Ventures Abroad for the period ending 20th August, 1986.

Note : Figures in parantesis are the per centages of Total

In terms of numbers, manufacturing sector occupies a predominant position with 113 out of 190 IJVs. The hotels and trading jointly account for 23 per cent of the total number of IJVs. And the other four sectors, consultancy; construction; financial; and miscellaneous, combined accounted for 17 per cent. Manufacturing sector covers a wide variety of items such as engineering, textiles, chemicals, drugs & pharmaceuticals, palm oil extraction, automobiles, paper, glass etc. Most of these manufacturing IJVs are in production i.e., 92 out of 113 (81 percent). As expected, the manufacturing sector

accounts for a much larger share of the Indian equity compared to its share in the number of ventures. Nearly 90 per cent of the total equity invested abroad is in this sector alone. The concentration of equity capital in manufacturing sector may also be as a result of the capitalisation of machinery, equipment etc., supplied and the other sectors which hardly need any of the above. Surprisingly, in Malaysia there are six IJVs for palm oil refining and fractionation and related activity. Three projects are of Birlas, and one each by Tatas, Thapars and Godrej. All the four groups are registered under the *MRTA Act* in India. Out of the three projects by the Birla House, two are by the Birla Eastern Ltd., and the other one by the Century Spg. & Mfg. Co. Ltd. In this area of activity, *i.e.*, palm oil refining and fractionation, one wonders if any one of the Houses (the Birlas, Tatas or Godrej) has what could be considered as 'adapted technology'. None of the three Houses is known to have been involved in a big way even in the vegetable oil business. One should also notice that IJVs by the Birlas are through the Birla Eastern Ltd., and not directly from the companies having the relevant experience or expertise. If at all the IJVs represent investments and managerial capabilities and not what is claimed to be a reason for establishment of joint ventures under the South-South cooperation.

Table-6 shows the number of IJVs in different regions and the field of operations. Fifty per cent of the total manufacturing IJVs are in South East Asian countries and 75 per cent of construction activities are in West Asian countries alone. A large number of IJVs in manufacturing sector are concentrated in developing countries. In contrast, slightly more than 50 per cent each of trading and hotel enterprises are in the developed countries.

Joint Ventures and Indian Industrial Houses:

Ownership character of the Indian companies going abroad should be of interest to examine. It may be of use in checking some hypotheses like whether entrepreneurs are establishing joint ventures abroad because of lack of opportunities in India, or because of restrictions imposed through government policies, such as *Industries (Development & Regulation) Act*, *Monopolies and Restrictive Trade Practices Act*, *Foreign Exchange Regulation Act*. Are the IJVs a means to establish 'international personality' by the Indian monopoly Houses or it is in pursuance of the South-South cooperation? The exercise may also help in assessing if TNCs from the North are utilising the South-South cooperation for back door entry into the other Third World countries and India was used only as a platform.

Table - 6

Distribution of IJVs according to the Region and Field of Operation

(Rs. '000)

Region/Field of Operation	Manufac- Total ing	Trading	Consul- tancy	Construc- tion	Hotel	Financial	Miscellan- eous	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
South East Asia	57 (50.45)	8 (34.78)	2 (18.18)	1 (8.33)	-	1 (16.67)	1 (25.00)	70 (36.84)
Africa	21 (18.58)	2 (8.70)	3 (27.27)	1 (8.33)	3 (14.29)	1 (16.67)	-	31 (16.32)
West Asia	8 (7.08)	1 (4.35)	2 (18.18)	9 (75.00)	1 (4.76)	-	-	21 (11.05)
South Asia	20 (17.70)	-	1 (9.09)	-	6 (28.57)	2 (33.33)	1 (25.00)	30 (15.79)
Europe	3 (2.65)	8 (34.78)	3 (27.28)	1 (8.34)	6 (28.57)	1 (16.66)	2 (50.00)	24 (12.63)
America	1 (0.88)	4 (17.39)	-	-	4 (19.05)	1 (16.67)	-	10 (5.26)
Oceania	3 (2.66)	-	-	-	1 (4.76)	-	-	4 (2.11)
TOTAL	113 (100.00)	23 (100.00)	11 (100.00)	12 (100.00)	21 (100.00)	6 (100.00)	4 (100.00)	190 (100.00)

Source: Based on the data provided in the Indian Investment Centre: Factsheets on Indian Joint Ventures Abroad for the period ending 20th August, 1986.

Note: Figures in parenthesis are percentages calculated with respect to Totals column.

Table-7 shows the distribution of IJVs according to their business associations in India. A very interesting feature of the IJVs is that there are only a few monopoly Houses only which have established multiple joint ventures. And, curiously enough, these are the very industrial Houses which have grown at a phenomenal rate. The Birlas and the Tatas have established themselves as the Top two business Houses of India. The rate of expansion has been more marked since the beginning of eighties.¹⁴ Similarly, the Thapar, J K Singhania, Mafatlal, Godrej and Kirloskar have made notable expansion. Table-8 shows the growth pattern of these Houses. In the light of their high expansion rate at home it would appear to be difficult to sustain the hypothesis that growing number of IJVs abroad was suggestive of the restrictions on expansion at home. Infact, it has also been

¹⁴ Goyal S.K., "Nature and Growth of the Indian Private Corporate Sector", Professor Brij Narain Memorial Lectures of the Punjab University, delivered during January 12-14, 1987.

Table - 7
Showing the Ownership Character of IJVs

(Rs. Lakhs)

S.No.	House	In Operation		Under Implementation		Total	
		No.	Amount	No.	Amount	No.	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Large Industrial Houses							
1.	Birla	20 (13.61)	1909.28 (21.13)	5 (11.64)	86.32 (4.47)	25 (13.16)	1995.60 (18.20)
2.	Thapar	6 (4.08)	1099.61 (12.17)	1 (2.32)	307.63 (15.94)	7 (3.68)	1407.24 (12.83)
3.	Tata	7 (4.76)	1031.83 (11.42)	2 (4.65)	61.06 (3.17)	9 (4.73)	1092.89 (9.97)
4.	J K Singhanian	2 (1.36)	457.20 (5.06)	-	-	2 (1.05)	457.20 (4.17)
5.	Mafatlal	4 (2.72)	364.68 (4.04)	1 (2.32)	0.96 (0.05)	5 (2.63)	365.64 (3.33)
6.	Godrej	4 (2.72)	204.57 (2.25)	-	-	4 (2.10)	204.57 (1.87)
7.	Kirloskar	7 (4.76)	111.31 (1.23)	1 (2.32)	80.64 (4.18)	8 (4.21)	191.95 (1.75)
8.	Nowrosjee Wadia	1 (0.68)	159.45 (1.76)	-	-	1 (0.53)	159.45 (1.46)
9.	Shri Ambica	1 (0.68)	117.70 (1.30)	-	-	1 (0.53)	117.70 (1.07)
10.	Total of 1 to 9	52 (35.37)	5455.63 (60.37)	10 (23.25)	536.61 (27.81)	62 (32.62)	5992.24 (54.65)
11.	Foreign Controlled Companies	6 (4.08)	509.31 (5.64)	2 (4.65)	184.11 (9.54)	8 (4.21)	693.42 (6.32)
12.	Other Houses	36 (24.49)	1044.71 (11.56)	13 (30.24)	822.60 (42.63)	49 (25.79)	1867.31 (17.03)
13.	Public Sector	5 (3.40)	266.71 (2.95)	4 (9.30)	155.79 (8.07)	9 (4.74)	422.50 (3.85)
14.	Co-Operative	1 (0.68)	1421.80 (15.74)	-	-	1 (0.53)	1421.80 (12.97)
15.	Others	47 (31.98)	337.67 (3.74)	14 (32.56)	230.49 (11.95)	61 (32.11)	568.16 (5.18)
16.	Total(10 to 15)	147 (100.00)	9035.83 (100.00)	43 (100.00)	1929.60 (100.00)	190 (100.00)	10965.43 (100.00)

Note : Figures in parantesis are the per centages of S.No. 16.

Source : Basic data taken from Indian Investment Centre: Factsheets on Indian Joint Ventures Abroad for the period ending 20th August, 1986. The House association is based on information available with the Corporate Information System, IIPA.

Table - 8
Showing Growth in Assets of the Top Twenty Houses
(1972 - 1985)

(Figures Rs. Crores)

House	Assets			Share in increase (%)	
	1972 1980-85	1980	1985	1972-80	
(1)	(2)	(3)	(4)	(5)	(6)
Birla	589.42	1431.99	4111.55	18.48	21.85
Tata	641.93	1538.97	3698.84	19.67	17.60
J K Singhania	121.45	412.72	57.03	6.39	5.25
Mafatlal	183.74	427.54	964.60	5.35	4.38
Thapar	136.16	348.06	1067.86	4.65	5.86
Reliance	*	166.33	1056.36	3.65	7.25
Modi	58.05	198.82	818.86	3.09	5.05
A C C	134.36	274.51	742.68	3.07	3.81
Bangur	125.26	264.33	650.87	3.05	3.15
Larsen & toubro	79.03	216.03	714.93	3.00	4.06
Sarabhai	84.44	317.94	444.83	5.12	1.03
Bajaj	63.32	179.26	619.87	2.54	3.59
I C I	135.21	343.01	446.96	4.56	0.85
Mahindra	58.49	186.03	431.19	2.80	2.00
Shriram	120.77	241.00	541.78	2.64	2.45
Walchand	99.47	150.36	607.18	1.12	3.72
Kirloskar	86.46	220.37	433.01	2.94	1.73
I T C	74.65	156.29	-	1.79	1.93
T V S Iyyengar	50.97	188.64	519.30	3.02	2.69
Hindustan Lever	77.87	219.30	435.96	3.10	1.77
Total	2921.05	7481.50	19756.81	100.00	100.00

Source: Goyal S.K., Nature and Growth of the Indian Private Corporate Sector, Professor Brij Narain Memorial Lectures of the Punjab University delivered during Jan. 12-14, 1987 and the data for 1985 is based on the Parliament Questions.

Note : The asset figures refer to only those companies which are registered under the MRTP Act, 1969.

* : This Group emerged after 1972.

** : This Group has gone out of the top 20 in 1985 and as such the data relates to the year 1984.

established empirically that these very Houses have the largest number of un-utilised industrial licenses (See Table-9).¹⁵ Nine industrial houses, each having an equity investment of more than Rs. 10.00 million each, explain for more than half of the total Indian investment abroad. The nine are registered under the *M RTP Act*. There are also IJVs belonging to other industrial houses covered under the *M RTP Act*. The two categories are classified separately. IJVs of the Indian government have been shown under the category Public Sector. IJVs promoted by foreign controlled companies (FCCs) form a category of their own. There is one IJV promoted by the Indian Fertilizers and Farmers Cooperative Ltd. This is shown as a 'Co- Operative' enterprise. The 'All Others' category includes IJVs promoted by individual companies or individuals not classified under any one of the above category.

The public sector is also one of the investors abroad. It has promoted 9 IJVs. The activity of the public sector as reflected in this exercise, is underestimation as it implements a large number of turnkey projects abroad which are not taken for analysis here. The oldest IJV in operation is the one promoted by Jay Engineering Works Ltd., belong to the Shriram House, which was established in 1961.

Foreign Controlled Companies account for Rs. 10.33 millions. Though the Co-operative Sector, Indian Farmers Fertiliser Co-operative Ltd., (IFFCO), has floated only one project, it has a very large share in equity i.e. 13.36 per cent (Rs. 142.18 millions).

Foreign Exchange Earnings through IJVs:

Table-10 shows the yearwise foreign exchange earnings for India by IJVs by way of dividends, additional exports generated and other repatriations. Additional exports include export of plant and machinery, spares, components and raw materials effected over and above the exports towards equity. The other repatriations include fee for technical know-how, engineering services, management, consultancy services etc. The data for 1974-75 includes the benefits of the earlier years also. It is evident from the table that the benefits from the additional exports is much higher than the dividends and other repatriations during all the years under study. This pattern has close resemblance to the pattern of foreign currency utilisation by TNCs operating in India. The overall earnings were on the increase till 1980- 81. However, since then these have declined drastically. Why so? Is it because the IJVs have made the host countries less dependent and promoted more self-reliance? Or, this sharp decline is suggestive of the transfers some where else. These questions need to be investigated at the host country level.

¹⁵. Corporate Studies Group, "The Functioning of Industrial Licensing System", Indian Institute of Public Administration, New Delhi, January, 1983.

Table - 9
Showing the Distribution of Licences Held by the Top 20
Industrial Houses According to the Extent of Utilization
(Production to Licensed)

(Numbers)

S.No.	Industrial Houses Licences	No. of Licences in Utilization Range				Total Studied
		Zero (%)	1-25 (%)	25-60 (%)	60-100 (%)	
(1)		(2)	(3)	(4)	(5)	(6)
1.	Birla	50 (22.7)	38 (17.3)	39 (17.7)	52 (23.6)	220 (100.0)
2.	Tata	57 (28.8)	40 (20.1)	51 (25.8)	31 (15.7)	198 (100.0)
3.	Mafatlal	5 (14.3)	11 (31.4)	8 (22.8)	8 (22.8)	35 (100.0)
4.	J.K. Singhanian	7 (20.0)	10 (28.6)	6 (17.1)	7 (20.0)	35 (100.0)
5.	Thapar	9 (20.9)	7 (16.3)	9 (20.9)	11 (25.6)	43 (100.0)
6.	Sarabhai	2 (28.6)	0 (0.0)	1 (14.3)	4 (57.1)	7 (100.0)
7.	Bangur	7 (24.1)	4 (13.8)	10 (34.5)	5 (17.2)	29 (100.0)
8.	I.C.I.	1 (4.2)	4 (16.7)	4 (16.7)	10 (41.7)	24 (100.0)
9.	A.C.C.	4 (40.0)	3 (30.0)	1 (10.0)	2 (20.0)	10 (100.0)
10.	Shri Ram	11 (25.0)	11 (25.0)	3 (6.8)	13 (29.5)	44 (100.0)
11.	Kirloskar	19 (22.6)	36 (42.9)	18 (21.4)	9 (10.7)	84 (100.0)
12.	Hindustan Lever	0 (0.0)	4 (30.8)	0 (0.0)	1 (7.7)	13 (100.0)
13.	Larsen & Toubro	8 (18.6)	16 (37.2)	7 (16.3)	9 (20.9)	43 (100.0)
14.	Modi	3 (13.6)	1 (4.6)	4 (18.2)	10 (45.5)	22 (100.0)
15.	Chowgule	1 (33.3)	1 (33.3)	0 (0.0)	1 (33.3)	3 (100.0)
16.	Bajaj	6 (18.8)	11 (34.4)	2 (6.3)	11 (34.4)	32 (100.0)
17.	Lalbhai	6 (27.3)	3 (13.6)	7 (31.8)	4 (18.2)	22 (100.0)

Source: Corporate Studies Group, Functioning of Industrial Licensing System: 1983.

Table - 10
Foreign Exchange Earnings from Indian Joint Ventures

(Rs Lakhs)				
S.No.	Year	Dividends	Other Repatriations*	Additional Exports#
	(1)	(2)	(3)	(4)
1	Until 1975@	137	111	1830
2	1975-76	26	130	977
3	1976-77	39	136	1043
4	1977-78	57	207	1331
5	1978-79	74	239	1445
6	1979-80	190	494	2358
7	1980-81	148	373	3115
8	1981-82	35	349	2773
9	1982-83	5	53	1068

Source: INDIA, Ministry of Commerce, Annual Report, various issues.

* Includes fee for technical know-how, engineering services, management, consultancy, etc.

Earnings through export of plant & machinery, spares, components, and raw material (excluding exports adjusted towards issue of equity shares).

@ Includes data for earlier years also.

Mortality

Mortality rate of IJVs during the last few years has been high. Around three-fifths of the IJVs sanctioned have not been executed and nearly 50 projects had to be given up or Indian equity participation withdrawn even after the projects have commenced operations. Why did it happen? Once again there is need to have further investigation. The business community is always ready to push the blame for their own failure to the 'others'. In India, if a company makes a loss over years and gets under the category of sick enterprise, the responsibility is laid on the workers, the government policies, failure of public sector to provide adequate infrastructural support or the consumer's poor response to 'national products'! In the case of high mortality rate of IJVs, there are all the well known reasons with a plus. The blame is placed on host country Governments and lack of adequate support from the home country. The catalogue of the FICCI runs as follows:

- Indian government's policy to restrict outflow of capital from India;
- poor selection of local partner;
- lack of clear cut policy formulations, incentives, encouragement from the Indian government;

- faulty formulations of financial, marketing, managerial arrangements etc.;
- lack of adequate capability to execute the project;
- political and economic changes in the participating countries;
- due to restrictions imposed by the host countries, for example, in Malaysia filling of key posts by the 'Bhoomiputras' is invariably insisted upon the investing party even in a high equity shareholding projects. Likewise, in Nigeria remittances of earnings is restricted;
- lack of proper and timely feed back of the opportunities from the Indian missions abroad;
- Nationalisation of Indian overseas projects has also raised a serious threat.

Conclusions

The institution of joint ventures between the Third countries was motivated by the desire to promote South-South cooperation in order to reduce dependence on the North. It was in the spirit of mutual help that India took the decision that while Indian entrepreneurs should be permitted to join hands with nationals of the other Third World Countries, the Indian partners would not be permitted to conduct themselves in the same manner as many dominant foreign corporations have done in India. The Indian ventures would promote joint character in ownership, management and assist the nationals to the maximum in training and staffing of enterprises. Indian private capital would not be mercenary in approach; its main responsibility would be to help the process of early industrialisation. This should be easier for the Indian private capital since problems faced and the requirements of production technologies of the third world countries would be similar as those for India. The IJVs were expected, in particular to assist African countries. To avoid private exploitation the IJVs were only to be permitted with a maximum of 40 per cent equity participation.

The countrywise break-up of the IJVs, however, shows that African continent, the area assigned the highest priority, accounts for a very small number and significance of IJVs. In sharp contrast to this, one finds that a number of IJVs have opted to go in countries of the South East Asia which have increasingly been patronised by the TNCs. *Secondly*, the distribution also shows that the Indian joint ventures have gone in for Petro-Dollar countries of the Arab world. There are a few IJVs even in the advanced countries! It is but natural to ask if this was the spirit of cooperation or only a cover to expand business activities abroad? There seems to be enough evidence to suggest that IJVs have been increasingly following the private business interests as foreign investors and in character or in style of operation they have been no way different from the enterprises originating from the North. Thus, South-South cooperation may sound a good proposition, when translated in terms of private inter-country investments, there remains no difference

between private capital originating from North or South.¹⁶ A private foreign company behaves like a foreigner and shows no regard for macro or national political aspirations. Business is business and not social service;¹⁷ it is as true of TNCs from North as that of private investors of the South.

The initial Indian official policy to promote the spirit of South- South cooperation seems to have been altered by short run and narrow considerations and in the similar manner as that of the capitalist advanced nations. For instance, the initial decision to permit Indian equity to 49 per cent as the maximum was set aside at the representation of private entrepreneurs who successfully bargained for higher equity share with host countries. From the viewpoint of Indian economic national interests, it was pleaded, that if host countries were agreeable why should the national government deprive itself of the economic advantages? Similarly, IJVs abroad were seen as institutions to promote Indian exports. Indian policy towards IJVs underwent a change when it was also accepted that IJVs would acquire equity mainly through supply of Indian machinery, technical know-how and other services.

A natural corollary of the change in official policy was that Indian corporations were encouraged and patronised to go abroad and conduct their business in a manner that could help enhance flow of maximum net advantage to the Indian economy. Thus, South-South cooperation may give a political advantage and preference to Indian investors in the Third World; but how would the private investors conduct themselves is no concern of the Indian Government. Infact, there is no legislative authority with Government of India to set norms for business on IJV abroad. If an Indian investor is engaged in unprincipled and un-ethical practices, there is nothing that the Indian Government can do in this regard.¹⁸ There is no effective obligation on the part of the Indian investors to provide periodic reports on the nature and size of their operations.

The net result of the absence of any regulations of Indian private investors abroad is well reflected in the non-existence of any one Indian Central authority who could monitor the Indian investments outside the country. The only agency to collect information is the

^{16.} Agarwal J.P., 12 The Pros and Cons of Third World Multinations case of India, Kierler Studien, Tubinger, J.C.B. Mohr, 1985.

^{17.} Ranganathan K.V.K., "Indian Joint Ventures Abroad : with Special Reference to Islamic Countries, "Economic and Political Weekly", Vol. 19, Nos. 20 and 21 (1984), p. M-69-77.

^{18.} The Indian Houses also seem to believe that their subsequent investments in other countries do not attract Indian regulations. For instance Tatas are reported to be claiming that the Asian Resort and Restaurant Associates Ltd., (ARRA) does not cover under Section 27, of the Foreign Exchange Regulation Act, 1973. It is emphasized not a rupee was remitted from India towards the capital of ARRA and whatever financial muscle it has is the result of profits earned by the company over the past 13 years.

ARRA is a hoteliering consultancy company registered in Hong Kong in 1974. It is a wholly-owned subsidiary of Tata Enterprises Overseas Limited, Vaduz, Liechtenstein, an European and tax haven. This Tata Enterprise Overseas Ltd., is in turn owned by several firms and individuals including Tata International A.G.

Indian Investment Centre. It is found that the periodic reports published by the IIC suffer from serious limitations. The major shortcoming, if any policy frame is to be pursued, lies in absence of adequate information system and monitoring mechanism regarding Indian investments abroad. There is no information published with regard to 'subsidiaries' established abroad by the Indian corporations. Same is the case with the investments made outside India by the Indian companies by way of 'inter-corporate investments'. Though all investments are supposed to be reported to the IIC, we have identified a long list of companies which have established manufacturing activities abroad but do not get mentioned in any official compilation.

Secondly, the projects executed outside by the Indian companies by way of joint tendering and sub-contracting with some other countries to establish projects in third countries are not treated as joint ventures abroad and the data for these type of joint ventures is not available any where.

Thirdly, in case of the investments made by more than one Indian company, either by their associate company or others, the investment by other companies have not been taken note of by any official agency. In these type of IJVs, naturally the percentage equity of Indian company will not give correct picture unless we add the investments made by other Indian companies.

Fourthly, once a joint venture project is cleared by the government there is no system to know the status of the project. According to the Government of India guidelines, the Indian collaborator has to give details of the IJV in their Annual Reports. But, we found in most of the cases except for a brief mention of the IJV, no other financial information is available from the Indian collaborator's Annual Reports.

Fifthly, no where company-wise data regarding the inflow of foreign exchange to the country, by way of dividends, technical know-how fees, royalty, additional exports effected over and above exports towards the equity etc., is available.

Indian investments abroad are placed at Rs. 1100 millions by way of equity participation. It is, however, not possible to known the break- up of equity participation in the form of supply of plant, machinery and equipment and the actual out flow of cash. Out of this total investment more than 50 per cent of investment is by 9 large industrial houses.¹⁹ As long as we do not know the actual cash flow, we cannot easily say if it is because of no demand in the domestic market, or because of excess industrial capacities, or the government regulations that IJVs performance has been poor. With the active involvement of the organisations like the FICCI it is quite natural that the large industrial houses would have a good chance to establish more IJVs. In any case, this gives them a chance to operate financial accounts abroad. One has to examine the extent to which the IJVs can become an instrument to affect capital transfers to enhance private gains at the public expense.

A variety of questions have been raised in this paper in order to discuss if private investments can indeed be a reliable vehicle of promoting South-South cooperation.

¹⁹. Dutt Srikant, 'India and the Third World', 1984, Zed Books, London.

Annexure - 1

1. Equity participation by Indian parties is to be in accordance with the rules and regulations of the host country. Association of local parties, local development banks and financial institutions should be encouraged to the most feasible extent.
2. Overseas investment by individuals is not permitted. It is confined only to companies registered under the Companies Act, 1956. Similarly proposals involving individuals as foreign collaborators are not encouraged.
3. The Indian promoter companies' financial soundness is an essential criteria for eligibility. The past export performance is also kept in view.
4. The Joint Venture agreement is an important document which should define the rights and responsibilities of all the collaborators. Past experience in the concerned area of responsibility of each collaborator is an important prerequisite. In the case of a Wholly Owned Subsidiary abroad (WOS), the necessity of setting up such a subsidiary should be established to the satisfaction of the Inter- Ministerial Committee (IMC) and in particular, that it is not possible to achieve the same objectives through a trading/non- trading office in the host country.

Past experience of the Indian parent company in the field of activity of the WOS is an important pre-requisite.

5. Indian equity participation should be clearly in the form of export of indigenous plant, machinery and equipment required for the Joint venture/WOS. On the merits of each case, however, equity participation by way of capitalisation of fees, royalties and other entitlements may also be considered by the IMC.
6. Normally cash remittance should not be allowed for meeting the Indian equity contribution, but the hard and deserving cases may be considered on merits. While considering such cases it should be seen that substantial exports of capital goods and services are envisaged over a long period of time. The IMC may also consider raising of a foreign exchange loan abroad and grant of a loan by Indian promoter companies the Joint venture/WOS as other alternatives of financing the equity participation, in exceptionally deserving cases.
7. Necessary powers have been delegated to the Reserve Bank of India to consider the requests for the release of foreign exchange for meeting preliminary expenses in connection with setting up the Joint Venture, WOS company visits by the technical and managerial personnel, etc. Foreign exchange release for follow up visits by the technical and managerial personnel after the formation of the Joint Venture/WOS company are also decided by the RBI within its own powers. Reference to the Ministry of Commerce or the Department of Economic Affairs for the purpose of such foreign exchange release will not be necessary. Except where the IMC has allowed capitalisation of such expenses, the Indian promoter shall ensure repatriation once the Joint Venture/WOS has been formed.
8. The requests for contribution to the additional equity in the Joint Venture/WOS project should be considered on merits in the light of past performance of the project and other financial details. Such contributions should normally be through the exports of machinery/equipment, but in exceptional cases exports of components and raw-materials, raising a foreign exchange loan and cash remittance may also be allowed on merits.
9. Machinery, etc. exported should be of Indian make. No second hand or re-conditioned machinery would be allowed for export against Indian investment.

10. Normal import replenishment, as available to the registered exporters in the Import Policy for the time being in force, will be admissible on the exports against equity.
11. Cash Compensatory Support (CCS), if otherwise admissible, will also be allowed on the exports of machinery and equipment against Indian equity subject, however, to the ceiling of 10% of the f.o.b. value.
12. The proposal for the Joint Venture/WOS should be technically and financially viable and should be supported by a detailed project report alongwith the profitability projections.
13. The articles of Association of the Joint Venture Company should, unless repugnant to the local laws, contain the provision that "in the event of participation in the equity of another company or promotion of a WOS, the consent of the Indian shareholders shall be essential". The Indian promoter of the Joint Venture shall obtain the prior approval of Government before according his consent. In the case of a WOS, its Articles of Association should contain a provision that :
 - i) in the event of participation in the equity of another company or promotion of a wholly owned subsidiary, the prior approval of the Government shall be obtained;
 - ii) no alteration by transfer of shares or otherwise shall effected except with the prior approval of the Government;
 - iii) at all times the holding company and its nominees are in a position to exercise full and effective control over the affairs and the business of the WOS; and
 - iv) the WOS shall declare annually a dividend of 50% of the profits after tax or 20% of the accumulated reserves, whichever is higher, although the IMC can waive or modify this condition in suitable cases.
14. No agency commission shall be payable to the Joint Venture/WOS against the equity exports made by the Indian promoters. Similarly, no agency commission is payable to a trading Joint Venture/WOS if the Indian promoter makes an outright sale to it.
15. Once a trading Joint Venture/WOS has been set up, the existing agency arrangements in that country should be terminated and the trading/non-trading offices of the Indian promoters in that country should be closed.
16. The Indian promoters are expected to indicate a definite schedule of completion for the Joint Venture/WOS and to project the returns (dividends, fees, commissions and royalties) from the Joint Venture/WOS after careful consideration. The Secretariat of the IMC will monitor the performance of the Joint Venture/WOS every year with reference to these projections.
17. Where the Indian promoter attracts the provisions of Section 372(4) of the Companies Act, 1956, he shall submit the application on the prescribed under that Act, to the Department of Company Affairs together with the requisite fee and a copy thereof with the application under Section 27 of the FERA, 1973.
18. The Indian promoter is expected to furnish to the Ministry of Commerce annual performance reports in respect of the Joint Venture/WOS on the prescribed proforma as early as but not later than six months after the end of every accounting period, alongwith a copy of the audited balance sheet and profit and loss account. These reports will form the basis of the monitoring of performance of the Joint Venture/WOS as indicated in Para (16) above.

Annexure - 2

Indian Investments Abroad which are not Covered by the Official Lists

(Equity in Rupees)

S.No.	Indian Company Name	House Association	Foreign Company Name	Country	Equity	Remarks
(1)	(2)	(3)	(4)	(6)	(7)	
1	Bombay Burmah Trading Corpn Ltd	Nowrosjee Wadia	North Borneo Timbers Berhad	Malaysia	18807000	
2	Bombay Burmah Trading Corpn Ltd	Nowrosjee Wadia	Leila Lands Sdn Bhd Berhad	Malaysia	7465000	Subsidiary
3	Bombay Burmah Trading Corpn Ltd	Nowrosjee Wadia	Leila Investment Ltd	Hong Kong	40000	Subsidiary
4	Carona Sahu Co Ltd	Khatau	Asia Ltd	Sri Lanka	1536101	Tech & Jv Supply of M/c Equipment
5	Gwalior Rayon Silk Mfg Wvg Co Ltd	Birla	Ino-phil Textiles Ind	Philippines	400000	
6	I T C Ltd	FCC/ITC	Hotel Kathmandu Ltd	Nepal	500000	
7	Indian Hotel Co Ltd	Tata	Taj Internatinal Hotels Inc	Usa	378970	Wholly Owned Subsidiary Co
8	Indian Plastics Ltd	Birla	P T Nalin	Indonesia	720115	
9	Kirloskar Electric Co Ltd	Kirloskar	Kirloskar Keyna Ltd	Keyna	222000	
10	Kirloskar Pneumatic Co Ltd	Kirloskar	Kirloskar Keyna Ltd	Keyna	206186	
11	Kores (I) Ltd		Kores Stationery & Equipment Ltd	Hong Kong	239535	
12	Lakshmi Machine Works Ltd		Ensas (pte) Ltd	Singapore	111458	
13	Larsen & Toubro Ltd	L & T	Larsen & Toubro (singopore) Pte Ltd	Singapore	10929798	Subsidiary
14	Latham Finance Co Ltd	Tata	P T Gokak	Indonesia	5639486	Sub of Forbes Forbes Campbell
15	Latham Finance Co Ltd	Tata	P T Gokak	Indonesia	5639486	
16	Lee Hedges & Co Ltd Sri Lanka	Shaw Wallace	Kanapediwattie Tea Co Ltd	Sri Lanka	0	Out of 50000 Shares
17	Mahindra & Mahindra Ltd	Mahindra	Mahindra Hellenic Auto Inds Sa		2403342	Subsidiary
18	Mahindra & Mahindra Ltd	Mahindra	Engineering & Metal Works Ltd	Iran	699434	
19	Orissa Cement Ltd		Dalton Property Co Ltd		1751120	
20	Raymond Wollen Mills (kenya) Ltd	J K	Raymond (mauritus) Ltd	Mauritius	63088	Subsidiary
21	Raymond Wollen Mills Ltd	J K	J K (england) Ltd	U K	3000	Subsidiary
22	Raymond Wollen Mills Ltd	J K	Raymond (mauritus) Ltd	Mauritus	1301000	Subsidiary
23	Raymond Wollen Mills Ltd	J K	Jaykayorg Ag	Switzerland	98000	Subsidiary
24	Scooters India Ltd	Public Sector	Sil International Gmbh	West Germany	202394	Wholly Owned Subsidiary
25	Shaw Wallace & Co Ltd	Shaw Wallace	Shaw Wallace & Hedges Ltd	Sri Lanka	2679000	50.71%

(Contd...)

	(1)	(2)	(3)	(4)	(6)	(7)
26	Shaw Wallace & Co Ltd	Shaw Wallace	Shaw Wallace & Overseas Ltd		359000	100%
27	Shaw Wallace & Co Ltd	Shaw Wallace	Shaw Wallace Bangladesh Ltd	Bangladesh	397000	79.31 %
28	Shaw Wallace & Hedges Ltd Sri Lanka	Shaw Wallace	Superfine Teas Ltd	Sri Lanka	0	100 %
29	Shaw Wallace & Hedges Ltd Sri Lanka	Shaw Wallace	Ceylon Polish & Preservation Ltd	Sri Lanka	0	100 %
30	Shaw Wallace & Hedges Ltd Sri Lanka	Shaw Wallace	Lee Hedges & Co Ltd	Sri Lanka	0	100 %
31	Shaw Wallace & Hedges Ltd Sri Lanka	Shaw Wallace	Shaw Lanka Tours Ltd	Sri Lanka	0	100 %
32	Shaw Wallace & Hedges Ltd Sri Lanka	Shaw Wallace	Shaw Plantation Mgt Ltd	Sri Lanka	0	100 %
33	Shaw Wallace & Hedges Ltd Sri Lanka	Shaw Wallace	Lankatech Management Ltdtion Ltd	Sri Lanka	0	100 %
34	Shaw Wallace & Hedges Ltd Sri Lanka	Shaw Wallace	Shaw Inds Ltd	Sri Lanka	0	100 %
35	Shaw Wallace & Hedges Ltd Sri Lanka	Shaw Wallace	Viking Fashion (pvt) Ltd	Sri Lanka	0	100 %
36	Slm Maneklal Inds Ltd		P T Standard Mills Inds	Indonesia	1475300	
37	Southern Petro Chemical Inds Corpn Ltd	Chidamparam	Industries Chemiques	Senegal	14976000	
38	Surat Cotton Spg & Wvg Mills	Mafatlal	Mafatlal Ag	Switzerland	844000	100% Subsidiary
39	Tata Exports Ltd	Tata	Tata Zambia Ltd	Zambia	1905708	100% Subsidiary
40	Tata Exports Ltd	Tata	Inter Gulf Marketing Llc	Oman	800000	
41	Tata Zambia Ltd	Tata	Townap Textiles Zambia Ltd	Zambia	490000	
42	Texmaco Ltd	Birla	Kapilvastu Sugar Mills	Nepal	108000	
43	Texmaco Ltd	Birla	Indo-ethopian Textiles Shares Co	Ethopia	400000	Nationalised
44	Tungabhadra India Ltd		P T Horizon Syntex	Indonesia	1629252	
45	U P Trading Co Ltd	Birla	India Malaysia Textiles Berhad	Malaysia	294181	Sub of Upper Ganges Sugar
46	U P Trading Co Ltd	Birla	Kapilvastu Sugar Mills Ltd	Nepal	107914	Sub of Upper Ganges Sugar
47	Upper Ganges Sugar & Inds Ltd	Birla	Kapilvastu Sugar Mills Ltd	Nepal	18031	
48	Utkal Investments Ltd		Dalton Property Co Ltd		480551	Sub of Orissa Cement
49	Virat Investment Co Ltd	Tata	Walkers Piling Ltd	Sri Lanka	115000	Sub of Voltas
50	Vision Investment Co Ltd	Tata	Ensas (pte) Ltd	Singapore	111000	Sub of Voltas Ltd
51	Vision Investment Co Ltd	Tata	Lalbuksh Irrigation & Well Drilling Co	Oman	410900	Sub of Voltas Ltd
52	Voltas International Ltd	Tata	Metroval Ltd	Uae	1078000	Sub of Voltas Ltd
53	Voltas Ltd	Tata	Walkers Piling Ltd	Sri Lanka	233000	
54	Walchand Industries Ltd	Walchand	Cicv Henry Hammelle		1000	
55	Warrior (Invt) Ltd	Tata	P T Gokak	Indonesia	5648727	Sub of Forbes Forbes Campbell
56	Warrior (Invt) Ltd	Tata	P T Gokak	Indonesia	5648727	

Source : Annual Reports of the Companies available at the Corporate Studies Group, Indian Institute of Public Administration, New Delhi.

Annexure - 3

Indian Joint Ventures Abroad (as on August, 1987)

S.No.	Name of The Indian Company Status	House Association	Country	Field of Collaboration	Equity (%) of Approval	Year	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
1.	A S C Engineers & Allied Inds Ltd	Mittal	Indonesia	Wire Rods Tor Steel Round Bars	20.00	77	IO
2.	Adhesives & Chemicals Pvt Ltd		Sri Lanka	Starch Based and Chemicals	30.00	82	IO
3.	Ajit India Pvt Ltd		UAE	Aluminium Architectural Products	40.00	74	IO
4.	Ajit Wire Inds Pvt Ltd		Malaysia	Enamelled Copper & Aluminium Wire	53.00	69	IO
5.	Alcon Constructions		Bahrain	Construction Job	49.00	77	IO
6.	Aluminium Industries Ltd	Seshasayee	Nigeria	Cables and Conductors	6.75	81	IO
7.	Amritlal Chemaux Ltd	Doshi	Singapore	Trading and Marketing	24.50	79	IO
8.	Ashok Leyland Ltd	FCC	Sri Lanka	Assembly and Mfg of Commercial Vehicles	27.90	83	IO
9.	Asia Match Co Pvt Ltd		Sri Lanka	Wax-matches Book Matches	25.00	83	IO
10.	Asian Paints (I) Ltd	Choksey	Fiji	Paints Enamels & Varnishes	51.00	77	IO
11.	Asian Paints (I) Ltd	Choksey	Nepal	Paints Enamels & Varnishes	51.00	84	UI
12.	Asian Paints (I) Ltd	Choksey	Solamon Isla	Paints, Enamels & Varnishes	145.00	84	UI
13.	Asian Paints (I) Ltd	Choksey	Tonga	Paints Enamels & Varnishes	25.00	81	IO
14.	Bajaj Auto Ltd	Bajaj	USA	Mktg of Bajaj Vehicles	30.00	81	IO
15.	Ballarpur Industries Ltd	Thapar	Malaysia	Palm Oil Refining	40.00	80	IO
16.	Ballarpur Industries Ltd	Thapar	Nigeria	Glass Bottels and Containers	49.00	81	IO
17.	Ballarpur Industries Ltd	Thapar	Thailand	Pulp	47.00	78	IO
18.	Ballarpur Industries Ltd	Thapar	UAE	Construction & Trading	33.00	77	IO
19.	Balmer Lawrie & Co Ltd	Public Sector	UAE	Container/steel Drum Plant	49.00	82	IO
20.	Bengal Water Proof Ltd		Sri Lanka	Rubber Gloves, Water Bottles	75.00	82	UI
21.	Best & Crompton Engg Ltd	M K Kumar	Nigeria	Transmission Lines Execution	40.00	78	IO

(Contd...)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	
22.	Best & Crompton Engg Ltd	M K Kumar	Nigeria	Mfg of Carbon Bushes	40.00	-	UI
23.	Bharat Commerce & Inds Ltd	Birla	Indonesia	Textile Yarn	42.50	74	IO
24.	Bhor Industries Ltd	Thackersey/tanna	Sri Lanka	Pvc Leather Cloth	41.26	67	IO
25.	Bhuva International		Singapore	Trading & Mktg of Chemicals& Dyes	80.00	80	IO
26.	Birla Bombay Pvt Ltd	Birla	UK	Consultancy Service	51.00	85	UI
27.	Birla Bombay Pvt Ltd	Birla	UK	Consultancy Service	51.00	85	UI
28.	Birla Bros Pvt Ltd	Birla	Nigeria	Light Engg Goods	40.00	64	IO
29.	Birla Bros Pvt Ltd	Birla	Nigeria	Consultancy Services	30.00	73	IO
30.	Birla Bros Pvt Ltd	Birla	Thailand	Synthetic & Cotton Yarn	1.00	69	IO
31.	Birla Eastern Ltd	Birla	Malaysia	Palm Kemal Oil	25.69	-	UI
32.	Birla Eastern Ltd	Birla	Malaysia	Palm Oil Processing	18.08	78	IO
33.	Birla Jute Mfg Co Ltd	Birla	Uganda	Jute Goods Hessein, Bags	44.55	68	IO
34.	Bisleri Beverages Pvt Ltd	Parle	USA	Mfr of Non-alcoholic Beverages/juce Beve	25.00	-	UI
35.	Bolton India		Kenya	Automobile Ancillaries	45.00	72	IO
36.	Bombay Auto Ancillary & Invt Pvt Ltd		Malaysia	Tube Valves	49.00	72	IO
37.	Bombay Dyeing & Mfg Co Ltd	Nowrosjee Wadia	Indonesia	Textile Mill	40.00	78	IO
38.	Bombay Suburban Electric Supply Co Ltd	Bombay Suburban	Saudi Arabia	Construction & Contracting	30.00	84	UI
39.	Campa Beverages Pvt Ltd	Charanjeet Singh	Nigeria	Soft Drinks	10.00	81	IO
40.	Central India Machinery Mfrs Co Ltd	Birla	UK	Trading	50.00	84	IO
41.	Century Spg & Mfg Co Ltd	Birla	Indonesia	Textile Yarn	45.00	73	IO
42.	Century Spg & Mfg Co Ltd	Birla	Malaysia	Palm Oil Refining & Fractionation	20.00	78	IO
43.	Champak Lal Invt & Finanail Cons Ltd		UK	Financial Consultancy	50.00	81	IO
44.	Champaklal Investment & Finance Ltd		Sri Lanka	Financial Services	40.00	82	IO
45.	Chic Creation (india) Ltd		Switzerland	Marketing Readymade Garments	50.00	79	UI
46.	Chinar Exports Pvt Ltd		Hungary	Promotion of Exports	49.00	86	UI
47.	Clorostat (I) Ltd		UK	Mktg Electronic Products	49.70	80	IO
48.	Colour Chem Ltd	Ghia/khatau	Sri Lanka	Pigment Emulsions	40.00	79	IO
49.	Concord Intl Pvt Ltd		Mauritius	Five Star Hotel	5.00	82	UI
50.	Data Systems Services Pvt Ltd		Bahrain	Computer Software Consultancy	49.00	83	IO
51.	Deccan Enterprises Pvt Ltd		Saudi Arabia	Rubber Rings and Products	20.00	75	IO
52.	Deccan Mechanical & Chemical Inds Pvt Lt		UK	Erection Service	45.00	80	IO
53.	Development Consultants Pvt Ltd		Hong Kong	Engineering Consultancy Services	65.00	74	IO
54.	Dujodwala Industries	Dujodwala	Sri Lanka	Sythetic Resins	36.30	79	UI

(Contd...)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	
55.	Durametallic India Ltd	Chemplast	Singapore	Mechanical Seals and Related Products	49.00	81	IO
56.	Eastern Spinning Mills Ltd	Birla	Philippines	Yarn	18.28	75	IO
57.	Essar Bulk Carriers Ltd	Essar (ruia Bros)	Singapore	Shipping offshore Engg Related Activity	10.00	80	IO
58.	Esvi Intl (engineers&exporters) Pvt Ltd		Gibraltar	Cosultancy Service	40.00	82	IO
59.	Excel Process Pvt Ltd		Malaysia	Anodised Aluminium Products	30.00	74	IO
60.	Exportos India		Mauritius	Manufacture of Readymade Garments	70.00	77	IO
61.	First Leasing Co of India Ltd	Chidambaram	Singapore	Leasing Operations	49.00	80	IO
62.	Fusegear Electrics Ltd		Malaysia	Mfg of L T Fuses	0.00	-	UI
63.	Gajra Gears Pvt Ltd	Gajra	Malaysia	Automobile Gears Etc	49.00	77	IO
64.	Gammon India Ltd	Gammon	UAE	Civil & Mechanical Engg Construction	50.00	77	IO
65.	Gangappa Cables Ltd		Kenya	Enamelled Copper & Aluminium Wire	15.00	79	IO
66.	George Maigo Exports Pvt Ltd		USA	Trdg & Mktg O Sea Food	50.00	80	IO
67.	Ghai Lamba Catering Consultants Pvt Ltd	Kwality	UK	Indian Style Restaurant	32.00	66	IO
68.	Ghai Lamba Catering Consultants Pvt Ltd	Kwality	UK	Restaurant	40.00	77	IO
69.	Ghai Lamba Catering Consultants Pvt Ltd	Kwality	USA	Indian Style Restaurant	20.00	73	IO
70.	Godrej & Boyce Mfg Co Pvt Ltd	Godrej	Indonesia	Steel Furniture	60.00	76	IO
71.	Godrej & Boyce Mfg Co Pvt Ltd	Godrej	Malaysia	Steel Furniture	83.00	65	IO
72.	Godrej & Boyce Mfg Co Pvt Ltd	Godrej	Singapore	Steel office Equipment & Furniture	52.30	80	IO
73.	Godrej Soaps Ltd	Godrej	Malaysia	Palm Oil Refining, Fractionation	30.00	79	IO
74.	Gokak Patel Volkart Ltd	Tata	Indonesia	Textile Mill	44.00	79	IO
75.	Golden Tobacco Co Ltd	Dalmia	Thailand	Cigarette Tissue & other Speciality Paper	1.00	83	UI
76.	Gupta Machine Tools Ltd		Malaysia	Precision Tools and Gauges	22.00	69	IO
77.	Gwalior Rayon Silk Mfg (wvg) Co Ltd	Birla	Indonesia	Viscose Staple Fibre	20.00	78	IO
78.	Gwalior Rayon Silk Mfg (wvg) Co Ltd	Birla	Thailand	Viscose Staple Fibre	14.00	72	IO
79.	Gwalior Rayon Silk Mfg (wvg) Co Ltd	Birla	Thailand	Carbon Black	1.00	78	IO
80.	Hada Steel Products Ltd	Hada	Thailand	Hacksaw Blades	49.00	75	IO
81.	Hindustan Computers Ltd	Nadar (hcl)	Singapore	Micro and Mini Comuters	43.75	79	IO
82.	Hindustan Safety Glass Works Ltd	Birla/somany	Malaysia	Automobile Glass & Safety Glass	6.50	73	IO
83.	Hmt Ltd	Public Sector	Nigeria	Machine Tool Complex	13.40	79	IO
84.	Hope India Ltd	Poddar	Singapore	Synthetic Resins	25.00	82	UI
85.	Hyderabad Asbestos Cement Products Ltd	Birla	Nepal	Emploration of Minerals	25.00	76	UI
86.	Hyderabad Asbestos Cement Products Ltd	Birla	Nigeria	Asbestos Cement Products	30.00	79	IO

(Contd...)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	
87.	India Pistons Ltd	Simpson	Malaysia	Pistons & Cylinder Liners	49.00	71	IO
88.	India Tourism Development Corp	Public Sector	Cyprus	Five Star Hotel	26.00	80	UI
89.	Indian Dyestuff Inds Ltd	Mafattal	Thailand	Dye Stuff	60.00	80	IO
90.	Indian Farmers Fertilizers Co-op Ltd	Cooperative	Senegal	Fertilizers & Phosphoric Acid	18.20	81	IO
91.	Indian Hotels Co Ltd	Tata	Sri Lanka	Hotel	32.25	80	UI
92.	Indian Products Trading Co Ltd		Kenya	Sulphuric Acid & Nonferric Alum	30.00	82	UI
93.	Indian Railway Construction Co Ltd	Public Sector	Thailand	Construction of Rail Road Projects	47.00	80	UI
94.	Indo Hax Ltd		Sri Lanka	Manufacture of Cutting Tools	50.00	83	UI
95.	ITC Ltd	FCC/ITC	Nepal	Mfg of Cigerattees	49.00	84	UI
96.	ITC Ltd	FCC/ITC	USA	High Speciality Indian Food Restaurant	49.00	86	UI
97.	J Thomas and Co Pvt Ltd	Birla	Singapore	Tea Auction Centre	73.00	81	IO
98.	Jay Engg Works Ltd	Shri Ram	Sri Lanka	Sewing Machines and Electric Fans	49.00	61	IO
99.	Jenson & Nicholson (India) Ltd		Nepal	Manufacture of Paints	51.00	83	IO
100.	Jg Glass Inds Ltd	Thapar	Malaysia	Glass Containers of All Kinds	28.70	68	IO
101.	Karam Chand Thapar & Bros Ltd	Thapar	Nigeria	Waste Cotton Yarn Blankets	75.00	79	IO
102.	Karam Chand Thapar & Bros Ltd	Thapar	Seychelles	Sea Resort Hotel	31.70	78	UI
103.	Karna Hotels Pvt Ltd		UK	Vegetarian Restaurant	60.00	77	IO
104.	Kirloskar Brothers Ltd	Kirloskar	Kenya	Marketing The Prdts of Kirloskar	51.00	78	IO
105.	Kirloskar Brothers Ltd	Kirloskar	Mauritius	Assemble, Manufacture Power Driven Pumps	73.40	76	IO
106.	Kirloskar Brothers Ltd	Kirloskar	UK	Mktg of Pumps	30.00	80	IO
107.	Kirloskar Brothers Ltd	Kirloskar	UK	Purchase of Shares At Spp Intl	19.38	85	UI
108.	Kirloskar Brothers Ltd	Kirloskar	USA	Mktg of Pumps	30.00	80	IO
109.	Kirloskar Electric Co Ltd	Kirloskar	Malaysia	Electric Motors Pumps & Diesels	40.00	69	IO
110.	Kirloskar Electric Co Ltd	Kirloskar	Malaysia	Trading and Marketing	40.00	80	IO
111.	Kirloskar Oil Engines Ltd	Kirloskar	West Germany	Assembly of Diesel Engines	49.00	65	IO
112.	Kma International Ltd	Kamani	Saudi Arabia	Galvanising Steel Structural	24.77	82	IO
113.	Krishna Hotels Pvt Ltd		USA	Indian Restaurant	25.00	74	IO
114.	Kusum Products Ltd	Birla	Indonesia	Solvent Extraction Margarine	47.50	75	IO
115.	Kwality Ice Creams Pvt Ltd	Kwality	Sri Lanka	Restaurant	33.33	82	IO
116.	Kwality Textile Association Pvt Ltd		Malaysia	Cotton and Blended Yarn	49.00	74	IO
117.	L G Balakrishnan & Bros Ltd	L G Bros	Malaysia	Chains For Cycles, Scooters, Automobiles	48.00	71	IO
118.	Lic & Gic of India	Public Sector	Kenya	Life & General Insurance	55.00	78	IO
119.	M S Consultants Pvt Ltd		Sri Lanka	Cotton Yarn Hosiery Project	80.43	79	IO

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	
120.	Mahindra & Mahindra Ltd	Mahindra	Greece	4 Wheel Driven Utility Vehicles	55.00	81	UI
121.	Manglya Trading & Invt Pvt Ltd	Mafatlal	Hong Kong	Promotion of Exports	40.00	86	UI
122.	Mecklai & Mecklai Financial Consultancy		Sri Lanka	International Money Brokers Co	50.00	81	IO
123.	Mecon (india) Ltd	Public Sector	Nigeria	Consultancy Services	50.00	82	IO
124.	Mehra Jewellers		Hong Kong	Jewellery & General Trdg	60.00	80	IO
125.	Mohan Meakin Breweries Ltd	Mohan Meakin	Kenya	Distillery & Bottling Plant	26.00	80	UI
126.	Mohan Meakin Ltd	Mohan Meakin	Nepal	Mfg & Bottling of Beer	20.00	81	IO
127.	Muddeersewara Overseas Invt Pvt Ltd		UK	Trading & Mktg of Granite Blocks	34.00	86	UI
128.	Mughal Mahal Restuarant		Netherlands	Indian Style Resturant	50.00	81	IO
129.	Murugappa & Sons	Murugappa	Malaysia	Cycle and Indl Chains	2.00	71	IO
130.	National Engg Industries Ltd	Birla	Saudi Arabia	Operation and Maintenance Service	40.00	84	UI
131.	National Engg Industries Ltd	Birla	Singapore	Technical Mgt,marketing,cons Service	40.00	79	IO
132.	Oberoi Hotels (I) Pvt Ltd	Oberoi	Australia	Operating Hotels	50.00	79	IO
133.	Oberoi Hotels (I) Pvt Ltd	Oberoi	Egypt	Develop & Manage Hotels	50.00	83	IO
134.	Oberoi Hotels (I) Pvt Ltd	Oberoi	Nepal	Hotel	8.71	77	IO
135.	Oberoi Hotels (I) Pvt Ltd	Oberoi	Saudi Arabia	Management Company For Hotels	25.00	78	IO
136.	Oberoi Hotels (I) Pvt Ltd	Oberoi	UK	Develop & Manage Hotels In Other Country	60.00	82	IO
137.	Organo Rubber Pvt Ltd		Nepal	Mfg of Rice Mill Rubber Rolls	26.00	86	UI
138.	Orient Longman Ltd		UK	Book Publishing	50.00	81	IO
139.	Orient Paper Mills Ltd	Birla	Kenya	Pulp & Paper	29.34	70	IO
140.	Orissa Inds Ltd	Jhunjunwala	Nepal	Mining of Magnesite Mfg of Ref	50.00	78	UI
141.	Parle (exports) Pvt Ltd	Parle	Singapore	Soft Drink & Synthetic Juce Powder Conce	47.00	75	IO
142.	Partap Steel Rolling Mill Pvt Ltd	Partap Maheshwari	Singapore	Special Steel	75.00	81	UI
143.	Phoenix Distributors Pvt Ltd		UAE	Sulphuric Acid	10.00	74	IO
144.	Polyolefins Inds Ltd	Mafatlal/FCC	Malaysia	H P Polyethylene Pipes, Fitting	24.00	75	IO
145.	Ponds India Ltd	FCC	Sri Lanka	Toiletries and Cosmetics	40.00	80	IO
146.	Pransukhlal and Co Pvt Ltd	Mafatlal	Switzerland	Trading Activity	33.00	83	IO
147.	Pure Ice Cream Co (1967) Pvt Ltd		UAE	Mfr and Mktg of Ice Cream	14.20	77	IO
148.	R M Gokuldas		UAE	Cylinders & Tanks Fof Lpg & Other Gases	20.00	74	IO
149.	R S Avtar Singh & Co		USA	Hotel Indian Restaurant	50.00	-	UI
150.	Ramanand Sagar		UAE	Marketing of Films	0.00	79	IO
151.	Ranbaxy Laboratories Ltd	Bhai Mohan Singh	Malaysia	Mfg, Mktg of Basic Drugs & Pharmaceutica	49.00	83	UI

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	
152.	Ranbaxy Laboratories Ltd	Bhai Mohan Singh	Nigeria	Drugs and Pharmaceuticals	15.00	77	IO
153.	Raymond Woollen Mills Ltd	J K	Indonesia	Engineers Steel Files & Rasps	30.00	74	IO
154.	Raymond Woollen Mills Ltd	J K	Kenya	Woollen Textiles Yarn Garments	68.00	66	IO
155.	S V Shah Construction Services Pvt Ltd		UAE	Construction Work	40.00	77	IO
156.	Sacha Export Investors Pvt Ltd		Thailand	Steel Rolling Mill (round Bars)	10.60	69	IO
157.	Sarabhi M Chemecals	Sarabhai	Malaysia	Pharmaceutical Products	40.00	76	IO
158.	Shanti Vihar Hotels Pvt Ltd		Sri Lanka	Vegatarian Restaurant	49.00	81	IO
159.	Shri Ambica Mills Ltd	Shri Ambica	Thailand	Dyestuff, Pigments, & Optical Bleaching	50.00	80	IO
160.	Sigma Rubber Pvt Ltd		West Germany	Mktg Automobile & Indl Rubber Products	60.00	81	IO
161.	Sita World Travel India Pvt Ltd		Sri Lanka	Promoting Travel and Tourism	30.83	81	IO
162.	Southern Indl Corpn Ltd	Chidambaram	Singapore	Enamelled Wire	33.33	76	IO
163.	Standard Mills Co Ltd	Mafatlal	Indonesia	Machinery & Equipment For Textile Chem	40.00	81	IO
164.	Steel Tubes of India Ltd	Baheti	Singapore	Precision Steel Tubes	35.30	81	IO
165.	Swastik Glass Works		Sri Lanka	Glass and Glassware	4.86	67	IO
166.	Tata Engg & Locomotive Co Ltd	Tata	Malaysia	Assembly & Mfg of Commercial Vehicles	29.00	75	IO
167.	Tata Engg & Locomotive Co Ltd	Tata	Singapore	High Precision Tollings	36.00	77	IO
168.	Tata Oil Mills Co Ltd	Tata	Malaysia	Neutralised Palmolein, Soap Etc	37.37	71	IO
169.	Tea Trading Corpn of India Ltd	Public Sector	Egypt	Blending & Packing of Tea	49.00	80	UI
170.	Tea Trading Corpn of India Ltd	Public Sector	Singapore	Tea Blending-cum-packing	40.00	81	UI
171.	Teksons Ltd		Singapore	Automobile Ancillary, Radiators Heat Exch	46.00	70	IO
172.	Telecommunications Consultants India Ltd	Public Sector	Nigeria	Consultancy Services	40.00	81	IO
173.	Tungabhadra Inds Ltd	Birla	Indonesia	Viscose Staple Fibre	22.00	79	IO
174.	Union Carbide India Ltd	FCC	Nepal	Dry Batteries	77.35	80	IO
175.	Unique Pharmaceutical Labs Pvt Ltd		Nigeria	Pharmaceuticals	60.00	82	UI
176.	United Builders Construction (I) Pvt Ltd		USA	Real Estate Investment & Development	90.00	80	IO
177.	United Chemolide Inds Pvt Ltd		Nigeria	Mfr of Pharmceutical Formulations	37.50	83	UI
178.	Usha Martin Black Ltd	Jhawar/FCC	Thailand	Steel Wire	45.00	79	IO
179.	Usha Martin Black Ltd	Jhawar/FCC	Yugoslavia	Steel Wire Rops	20.00	78	IO
180.	Utkal Exports Pvt Ltd		Sri Lanka	Industrial Rubber Products	22.50	81	IO
181.	Vijaya Tanks & Vessels Pvt Ltd		Kuwait	General Contracting Activities	49.00	82	IO
182.	Vision Invt Co Ltd	Tata	North Yemen	Undertake Projects/jobs -mgt,irrigation	10.00	86	UI
183.	Voltas International Ltd	Tata	Oman	Water Well Drilling Sprinkler Irrigation	20.00	82	IO
184.	Voltas International Ltd	Tata	Singapore	Marketing Textile Machinery	40.00	82	IO

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	
185.	Voltas International Ltd	Tata	Sri Lanka	Bored Piling Tube Well Drilling	25.00	82	IO
186.	Western India Erectors Ltd		Oman	Undertaking & Exe Projects - Power Field	49.00	85	UI
187.	Western India Erectors Ltd		Saudi Arabia	Undertake and Execute Engg Projects	50.00	79	IO
188.	Wipro Ltd		USA	Computer Software Export	49.00	-	UI
189.	Zaverchand Gaekwad Pvt Ltd		Malaysia	Metal Flexible Tubes	49.00	73	IO

Note: In the Status Column - IO = In Operation; UI = Under Implementation; and - = Not available
House Association is based on the information available at the Corporate Studies Group, I I P A, New Delhi.

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