

Nano's plant dispute takes a new turn

PALLAB BHATTACHARYA, New Delhi
The Indian Supreme Court yesterday restrained the Mamata Banerjee-led government in West Bengal from returning the land acquired from farmers for a plant where Tata Motors was supposed to manufacture Nano cars. Mamata's government had earlier this month passed a bill in the state assembly to return the acquired land. Tatas challenged the legislation in Calcutta High Court that ruled against them. They then moved the apex court. "As an interim order, we direct the state government not to hand over or return land to farmers concerned until Calcutta High

Court passed further order," a vacation bench of the Supreme Court consisting of justices P Sathasivam and AK Patnaik said. The bench said it was making it clear that this was an "interim arrangement" and it was not expressing any opinion on the merits of the case. For her part, Mamata, who had made the return of the land to the farmers as a major plank in state assembly elections in April-May this year when her party emerged victorious, welcomed the Supreme Court's interim order and said the apex court did not stop land survey and the "process of distribution of land." "We welcome the Supreme

court order. It will go in favour of the farmers and in favour of the people," she told reporters in Kolkata. The Supreme Court judges said they were passing a limited interim order and asking the high court to proceed with the main matter in which the Tatas have challenged the law enacted by the Mamata Banerjee government for taking back possession of land and distributing it to farmers who were the original owners. However, the bench said since the main issues were pending before the high court, it was not inclined to go into them. "We are not inclined to interfere at this stage on the main issues pending

before the high court," it said. The apex court bench said it was granting interim protection as senior counsel PP Rao, appearing for the state government, said the possession of land will remain in the hands of state government till the high court decides the issues. During the proceedings, the Supreme Court bench said it is not a question of political issues but a question of rights. Tata Motors had on Tuesday approached the Supreme Court accusing the West Bengal government of enacting the law in haste to take over land in Singur that is allotted to it for its Nano car project and using police force illegally to

take back possession of the plot. The Tatas, which on June 27 failed to get any relief from the Calcutta High Court, had challenged the Singur Land Rehabilitation and Development (SLRD) Act, passed by the state assembly for taking back possession of the land and distributing it among farmers who owned them before acquisition by the previous Left Front government. The Tatas alleged the state government has been "illegally" taking possession of land by using police force. The company had said that in view of "vandalism" and "looting" of goods at the factory site, the land should be returned immediately to Tata.



NCC BANK
Md Nurun Newaz, chairman of NCC Bank, opens an ATM booth of the bank in Narayanganj on Wednesday. Mohammed Nurul Amin, managing director, was also present.

New CEO for ICB Islamic Bank

STAR BUSINESS DESK

Mamoon Mahmood Shah has recently been appointed chief executive officer of ICB Islamic Bank Ltd. He also served ANZ Grindlays, Standard Chartered and HSBC. Prior to joining the new office, Shah was the deputy managing director of Eastern Bank. A postgraduate from Dhaka University, Shah started his career with IFIC Bank as a probationary officer.



Apollo to invest \$500m in Welspun group

REUTERS, Mumbai

Private equity fund Apollo Global Management LLC will invest about \$500 million in steel pipe manufacturer Welspun group, marking the second biggest private equity investment in India this year as firms take advantage of the rapid growth in Asia's third largest economy.

Private equity deals are rapidly growing in India, with firms such as 3i Group Plc and Blackstone Group scouting for new investment opportunities, and many others selling their holdings as valuations improve.

India saw 61 private equity buyouts worth \$3.3 billion in the first half of 2011, up 21.6 percent from the same period last year. And private equity-backed M&A in the first six months of 2011 was the highest for the first half of any year so far.

Earlier this year, Bain Capital and GIC invested about \$850 million in Hero Honda in the largest PE deal in India this year.

This is Apollo's second investment in India after it poured \$100 million into satellite television operator Dish TV in 2009. The private equity firm is scouting for more opportunities in chemicals, metals and industrials, Sanjay Patel, senior partner at Apollo, said at a press conference.

Welspun plans to use the funds to expand its presence in steel and infrastructure and raise its stake in group entities, Chairman B.K. Goenka told reporters on Wednesday.

Mandarin Oriental joins Asian hotel invasion of Paris

AFP, Paris

The Mandarin Oriental opened its doors in Paris on Tuesday, becoming the third top-end Asian hotel brand in less than a year to put out its shingle and woo rich visitors to the French capital.

Newly built behind a 1930s facade, the eight-story property on fashionable Rue Saint Honore boasts 99 rooms and 39 suites going for an average of 950 euros (1,360 dollars) a night.

"We absolutely wanted to be in the best arrondissement, the best location for leisure travellers," Christoph Mares, director of operations for Europe, the Middle East and Africa, told AFP at the inauguration.

The property is the 27th worldwide for the hospitality unit of Hong Kong's Jardine Mathieson trading group which takes its name from two of Asia's top hotels -- the Mandarin in Hong Kong and the Oriental in Bangkok.

Its debut comes hard on the heels of the arrival in Paris last December of rival Hong Kong group Shangri-La, which oversees an 81-room property across the River Seine from the Eiffel Tower.

\$100m in new funding for Square

AFP, New York

Square, a new venture from a co-founder of Twitter that allows anyone to accept credit card payments on a mobile device, announced Wednesday that it has received another \$100 million in funding.

Square said the investment was led by venture capital firm Kleiner Perkins Caufield & Byers with the participation of Tiger Global Management, and that KPCB partner Mary Meeker would be joining Square's board of directors.

"Square has a great product with extensibility which we believe has the potential to have a lasting impact on how people make payments," Meeker, a former Morgan Stanley analyst, said in a statement.

Larry Summers, a former top economic advisor to US President Barack Obama and treasury secretary under Bill Clinton, and Vinod Khosla, founder of Khosla Ventures, also joined Square's board this month.

The latest investment in Square values the mobile payments start-up, which was unveiled in May of last year by Twitter co-founder Jack Dorsey, at \$1 billion, according to The Wall Street Journal.



Wasim Akhtar Saifi, global head of Islamic banking of Standard Chartered Bank, inaugurates the bank's first Saadiq Financial Kiosk in Dhaka recently.



BANGLADESH BANK
The 60th executive committee meeting of Asia Pacific Rural and Agricultural Credit Association was held in Tehran, Iran, recently. Murshid Kuli Khan, second from left first row, deputy governor of Bangladesh Bank, poses for a family photo of the meeting's participants.

US charges HSBC India client for hidden account

REUTERS, Washington

An HSBC India client living in Wisconsin was indicted on Tuesday for hiding more than \$8.7 million in offshore accounts and filing false US income tax returns, the US Justice Department said.

Arvind Ahuja, a neurosurgeon and US citizen, was indicted on four counts of hiding the accounts, which held \$8.7 million as of 2009, and four counts of filing false tax returns, which failed to report more than \$1.2 million in interest income.

Ahuja's lawyer, Dan Webb, said his client was innocent. "The federal government has made a colossal mistake by taking this action and we will aggressively fight these outrageous and erroneous allegations," Webb said in a statement.

Webb said Ahuja had interest-bearing accounts and said the bank failed to issue Ahuja documents that stated his interest income. He said once Ahuja became aware of the interest income that was not reported to him by the bank he paid all taxes owed plus interest and late payment penalties.

In April the US Justice Department said HSBC Holdings Plc's unit in India helped US taxpayers stash funds abroad through their India unit, and the department served a so-called John Doe summons on the bank to hand over US client names.

Other HSBC India clients have pleaded guilty to tax evasion as have numerous clients of UBSAG.

The case is USA v Arvind Ahuja, No. 11-cr-135, in US

Bank of America pays record \$8.5b on mortgage claims

AFP, New York

Bank of America announced Wednesday that it would pay \$8.5 billion to settle investor losses on mortgage-backed securities packaged with dodgy loans from Countrywide Financial ahead of the US housing collapse.

And after an additional \$5.5 billion charge against potential liabilities in yet-unclaimed investor losses, the largest US bank said it expected a quarterly net earnings loss of up to \$9.1 billion.

The payment, to a group of 22 large private investment groups who invested in packaged securities including poorly documented mortgages from Countrywide, which Bank of America took over in 2007, is the largest settlement by a financial services firm stemming from the financial crisis.

"This is another important step we are taking in the interest of our shareholders to minimize

the impact of future economic uncertainty and put legacy issues behind us," said Bank of America Chief Executive Officer Brian Moynihan.

"We will continue to act aggressively, and in the best interest of our shareholders, to clean up the mortgage issues largely stemming from our purchase of Countrywide."

Over the last six months, Bank of America has announced three agreements aimed at reducing the exposure to legacy mortgage issues related to Countrywide, once one of the country's largest home loan financiers.

In January, Bank of America announced agreements with two of its largest counterparties, Fannie Mae and Freddie Mac.

The 22 investment groups taking part in the settlement represented 530 separate residential mortgage-backed securitization trusts which had a principal valuation of some \$424 billion.

Tullow marks 25 years of operation

STAR BUSINESS DESK

Tullow Oil that began operations with a PLC certificate in 1986 celebrates 25 years in business this week, the company said in a statement yesterday.

Aidan Heavey, chief executive of Tullow, says: "Being a part of Tullow is something quite unique."

"We're not a business that has grown because of circumstances outside the company; we're a business that has grown because everybody has made their own contribution. So I would like everyone to just enjoy the celebrations and look forward to the next 25 years."

Tullow Oil is one of the largest independent exploration and production companies in Europe.

The company's relationship with Bangladesh began in 1997 and is currently the designated operator for Block 9, as part of a deal signed with Petrobangla on April 11, 2001.

Heavey said: "Bangladesh has been a core part of our strategy for a number of years; we have an excellent team and have a good relationship with the government. As I have said previously, I see South Asia as a place with a lot of potential."

The vision of Tullow is to be the leading global independent exploration and production company ensuring safe procedures and operations and minimising environmental impact in the countries where they operate.

Tullow is one of the active UK companies present in Bangladesh from the power sector.



IDLC
Aftab ul Islam, chairperson of SME Foundation, launches the 'Online SME Loan Eligibility Tool' of IDLC Finance in Dhaka recently. This web-based tool will allow SME entrepreneurs to assess their primary eligibility for getting an SME loan from IDLC. Selim RF Hussain, managing director of IDLC Finance, was also present.



SOUTHEAST BANK
Southeast Bank signed a short-term loan agreement with International Finance Corporation, the private sector arm of the World Bank Group, in Dhaka on Wednesday. Mahbulul Alam, managing director of Southeast Bank, and Ketki Bhagwati, principal investment officer of IFC, inked the deal. Under the agreement, the bank will obtain foreign currency funds from IFC.