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International
Herald Tribune"A man will fight harder for his
interests than for his rights."
— Napoleon Bonaparte

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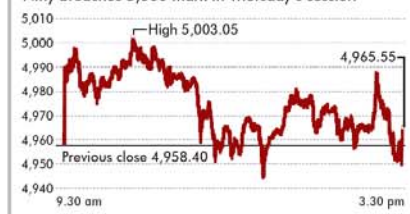
SMARTBIZ

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16,711.11
(34.07 pts)SENSEX
NIFTY ▲ 4,965.55

Big leap

Nifty breaches 5,000 mark in Thursday's session

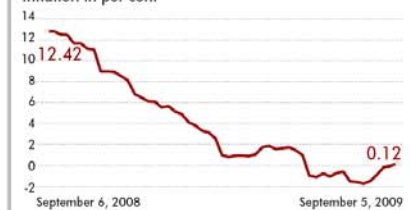


Nifty kisses 5,000

Nifty touches 5,000 for the first time since May 23, 2008, helped by the new index computation method, reports Rajesh Abraham ■P4

Heartbeat index

Inflation in per cent



Inflation @ 0.15%

Higher prices of food items nudge WPI to 0.15% for the week ended September 5, report Nayanima Basu & Prashant Mukherjee ■P8

- RIL plummets on treasury share sale
Company's shares fell 5% after an Ambani trust sold 1.5 crore shares at Rs 2,125 per share ■P4
- Banarasi saree now GI certified
The popular saree gets GI protection against fake products; Kanchipuram silk to get it in a month ■P7
- Champions Trophy air space in demand
80 per cent of the total 160 ad spots for ICC Champions Trophy have been sold ■P6
- Now, a 1,000cc bike from Suzuki
The maker of Hayabusa will launch the GSX-R as a completely-built imported unit in March ■P7

SBI scours the globe for mid-sized banks

To set aside up to \$1 billion for each takeover

MANJU AB
Mumbai

THE State Bank of India (SBI) plans to acquire mid-sized banks in select Asian countries and the UK, Canada and the US. It will set aside \$500 million to \$1 billion for each acquisition. SBI's target is to expand its international business from \$24 billion now to \$100 billion in five years, by when its balance sheet size will be \$500 billion. The public sector bank has been growing 40 per cent annually and hopes to maintain the pace. The bank's expansions would be primarily trade driven.

O P Bhatt, SBI chairman, said on Thursday that the bank would look at organic and inorganic growth and focus on all geographies. "London will be the administrative head for our expansion into Europe, Canada and Asian countries like Hong Kong, Singapore, the Maldives, Sri Lanka and Nepal will be



Expansion spree

The country's largest bank is aiming for acquisitions when most banks worldwide are recovering from the credit crisis

- SBI eyes acquisitions of mid-sized banks worth \$500m to \$1b in the UK, Canada, the US and Asia
- Within Asia, Hong Kong, Singapore, Maldives, Sri Lanka and Nepal are going to be the focus areas
- SBI plans to grow its international business to \$100 billion in five years from \$24 billion at present
- Bank intends to raise share of international business to 20-25% of total revenue from 10% at present

the focus areas as we look overseas. We will look not just at ethnic Indians overseas but follow the trade patterns of Indian compa-

nies, so that we can fund their businesses in overseas markets," said Bhatt.

Turn to P3

Piramal develops new antibiotic

RAKESH KHAR
New Delhi

PIRAMAL Life Sciences is all set to apply for a multi-nation regulatory approval for its new antibiotic drug, PM 181104. This antibiotic is drawn from a marine bacterium. The company claims it has immense therapeutic potential.

Swati Piramal, the company's director for strategic alliances, said, "We are looking at filing for stage-I study regulatory approval for the injectable antibiotic in US, Europe and India."

She said countries had varying approval time frames and that the first approval might be given in Europe. She said the antibiotic might take at least five years to reach the end consumer.

Piramal said the antibiotic could treat severe infection, including that of liver and brain. She emphasized the need for new drug discoveries because

some bacteria had become resistant to certain antibiotics. She gave the example of the methicillin-resistant staphylococcus aureus (MRSA) and vancomycin-resistant enterococci (VRE).

The company developed the new antibiotic after long backroom work that led to the discovery of this peptide molecule from a marine sponge associated micro-organisms. Piramal said this would not have been possible without the active collaboration of the National Institute of Oceanography. The institute supplied the marine-based sponge under an on-going research project with Piramal Life Sciences.

Asked if there would be global competition to the new antibiotic, Piramal said, "Western drug companies are no longer active in research for the development of antibiotics."

Turn to P8

Rate bargaining on with bank consortium Bharti seeks \$1b in rupee debt to fund MTN deal

MANJU AB
Mumbai

BHARTI Airtel has approached Indian banks for a \$1 billion rupee-denominated loan to part fund its mega deal with MTN of South Africa.

Two senior bankers in Mumbai told *Financial Chronicle* that Bharti needed \$5 billion in onshore and offshore debt to finance the part-cash-and-share swap deal. Bharti hopes to raise up to \$4 billion overseas.

The rupee component of the loan may rise to \$2 billion, if the foreign consortium of banks is unable to mop up \$4 billion in syndication.

The rupee loan will be extended by an SBI-led consortium which may have five or six Indian public sector banks.

According to people close to the development, SBI will participate in both the onshore and offshore parts of the debt.

Banks are comfortable to lend if the loan is linked to the company's cash



Debt bargain

■ Bharti needs \$5 billion in onshore and offshore debt to finance the part-cash-and-share swap deal with MTN

■ The rupee component may rise to \$2 billion if the foreign consortium of banks is unable to raise \$4 billion

■ The rupee loan will be extended by an SBI-led consortium, which may have five or six Indian public sector banks

Banks are likely to settle for an interest rate of 9.5 to 10 per cent. Bharti however is asking for a better rate of 9 per cent to 9.25 per cent.

Bankers said the interest rate for the foreign currency loan was likely to be a little over 300 basis points above Libor. "The debt will be structured in such a way that it could be retired in tranches, with the average life span of 3 to 3.5 years."

SBI and seven foreign banks are expected to join the offshore loan syndication. The foreign banks are ANZ, Barclays, Capital Bank, Bank of Tokyo-Mitsubishi, BNP Paribas, Citi and DBS, apart from Standard Chartered Bank, the lead arranger.

SBI is prepared to chip in with \$1 billion for the offshore loan. It may take a substantial portion of the rupee-denominated loan.

The advisors for MTN are Bank of America, Merrill Lynch and Deutsche Bank.

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WHATSINIT 4me

WORLD MARKETS

| | Current | Previous |
|-----------|----------|----------|
| NYSE | ▼ 6,982 | 7,038 |
| NASDAQ | ▼ 2,121 | 2,133 |
| FTSE | ▲ 5,163 | 5,124 |
| NIKKEI | ▲ 10,443 | 10,270 |
| HANG SENG | ▲ 21,768 | 21,402 |
| SHANGHAI | ▲ 3,060 | 2,999 |
| KOSPI | ▲ 1,695 | 1,683 |
| BOVESPA | ▲ 59,167 | 58,867 |
| DAX | ▲ 5,731 | 5,700 |

Page anchored by Ashutosh Misra and Biswa Yonzon

International Herald Tribune

WORLD BUSINESS



Gourmet tea
The economic crisis may have dampened the appetite for high-end goods but it has spurred tea sales

Buffett touch
Dalian Dayan Trans is now China's best clothing stock after the billionaire said he wears the firm's suits

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Everything about author Chetan Bhagat — from the haloed gates of HIT to the latest pages of his life

Men's fashion

Know what inspired Indian designers to push boundaries at the Van Heusen Men's Fashion Week

Benares bliss

The ancient city in the 60s was a confluence between the hippies from the east and the west