

# Fujitsu to set up joint venture firm

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World's telecom and computer giant Fujitsu Ltd are setting up a joint venture company at Mandideep, near Bhopal in collaboration with the Madhya Pradesh State Electronic Development Corporation Limited (Optel), its wholly — owned subsidiary, Optel Telecommunications Ltd and Virgo Marketing Private Ltd. The new company, with an initial capital investment of Rs 520 million, would be named Fujitsu Optel Ltd and would be engaged in developing, manufacturing and seeling of transmission and radio communication systems in India.

Speaking to newsmen at a joint Press conference here, Mr Michio Fujisaki, Director of Fujitsu and Dr V. Nagarajan, Managing Director of the Optel Telecommunication Ltd, said that the joint venture agreement was signed in March and the first board meeting of the new company took place here yesterday.

Fujitsu is a leading manufacturer of telecommunications computer systems and electronic devices. Its total turnover in 1993-94 was US \$ 32 billion (Rs 1,00,000 crore approx).

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The company established an electronic switching unit at Mohali in Punjab in collaboration with the Punjab State Electronic Corporation.

Mr Fujisaki said that the Japanese company will have holding of 61 per cent and Optel and OTL will have 17 per cent with Virgo having a nominal 5 per cent stake in the company. The overall cost of the project would be Rs 800 million, he said adding that the factory was expected to be completed by July 1995 and commercial production would start from September 1995.

Throwing light on the necessity of latest technology in telecommunication, Mr Fujisaki said that India was currently investing significantly in telecom systems and demand was growing for new series of pleiochrous digital hierarchy system, subscribers loop systems, microwave radio communication systems and synchronous digital hierarchy systems. "In line with this system, the Fujistu which is a trading partner of the Optel for the last eight years, decided to establish a new company in the customer service sector.

Dr Nagarajan expects a sales turnover of Rs 100 crore in the first year of transaction while it has set up a target of Rs 200 crore by 1998.