



MARKET MOVEMENT

Major Indices	August 22, 2008	August 29, 2008	% Change	Change
BSE Sensex	14,401.49	14,564.53	1.13	
NSE Nifty	4,327.45	4,360.00	0.75	

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- Japanese rating agency says Indias foreign credit at robust level
- MCX gets SEBI nod for launching currency futures
- Cabinet approves integrated leather development programme
- Madhya Pradesh clears Rs 85 billion proposals
- Government approves price escalation clause for power projects
- Karnataka Government announces guidelines for farmers to get free power

Japanese rating agency says Indias foreign credit at robust level

THE Indian Government announced on August 28, 2008, that according to Japan Credit Rating Agency Ltd., India's foreign credit is at a robust level, and there was no need to be concerned about India's foreign currency liquidity position on account of its large foreign exchange reserves. India's foreign currency and local currency long-term senior debts, have received investment grade rating BBB+ from the credit rating, and this reiterates that the outlook is stable. The Government further stated that as per the agency, the stability of the country's financial system has improved with the dumping of non-performing loans after certain modifications in legislation.

MCX gets SEBI nod for launching currency futures

THE Multi-Commodity Exchange (MCX) received in-principle approval from the market regulator Securities Exchange Board of India (SEBI) for launching currency futures through its newly formed subsidiary MCX Stock Exchange Ltd (MSEL). MSEL will commence enrolment drive for membership immediately as it has already conducted seven road shows. The road show was attended by over 1,000 plus representatives from industry such as banks, exporters, importers, stock brokers, foreign exchange brokers, and commodity brokers and corporate.

Cabinet approves integrated leather development programme

THE Union Cabinet approved integrated leather development programme with an outlay of Rs 9.12 billion. It lays accent on an integrated development of the industry by dovetailing different components such as infrastructure development, capacity-building, human resource development, investment promotion and environmental issues for implementation during the Eleventh Plan period (2007-12). This project would train and prepare individuals in the rural areas in cutting, skiving and stitching and would place at least 75% of those trained in the industry. It also includes skill upgradation programmes for workers of the organized and un-organized sector.

Madhya Pradesh clears Rs 85 billion proposals

THE Madhya Pradesh (MP) Government cleared a combined investment of Rs 85 billion proposals. The committee extended the deadline of registration for investment promotion incentives till March 31, 2009, the company may apply for incentives and concessions till next year. Further, the committee has approved a proposal of awarding C category, companies that make investment in the C category backward district are offered more concessions and sops.

Government approves price escalation clause for power projects

THE Indian Government has approved compensation for power equipment supplier Bharat Heavy Electricals Limited (BHEL) for taking a hit due to abnormal rise in prices of inputs for power projects, which would help execution of projects without delays. BHEL and its all sub-contractors in all future contracts will incorporate a price variation clause which would enable the state-run power equipment company to increase the cost of the project depending on the price escalation of various inputs. Apart from dealing with the new contracts for power projects, the contractors of ongoing power projects would also be compensated.

Karnataka Government announces guidelines for farmers to get free power

KARNATAKA Government released a set of guidelines for farmers to become eligible for its free power for irrigation pumps sets up to 10 Horse Power (HP) which included mandatory installation of electric meters to quantify power consumption. The state cabinet at its meeting held here declared that the cost of the installation of meters would be borne by Government and the farmers were only required to cooperate. The farmers who clear their electric dues will get the benefit of the scheme and those failing to do so could not avail of it.

INDUSTRY WATCH

- **Power sector gets major chunk of overall investments with US\$ 44.76 billion**
- **Major changes in shipping sector**
- **Consumer durables industry expects sales to grow 10%**
- **Indian software services sector expected to touch US\$ 60 billion**

Power sector gets major chunk of overall investments with US\$ 44.76 billion

ACCORDING to a study by the Associated Chambers of Commerce and Industry of India (Assocham), the Indian power sector received investments worth US\$ 44.76 billion in the first half of 2008, accounting for almost 30.9% of the overall investments in the corporate sector. Assocham President said that with power sector on the top of priority of the policy makers, huge investments have been planned by various corporates, which include Tata Power, Sterlite Industries, Jindal India Thermal Power and the Lanco Group.

Major changes in shipping sector

THERE are major changes that are taking place in the country's shipping sector. Companies which were not in shipping are now entering the business of operating ships and these include both private and public sector players. This is presumably because these companies would like to have better control over their cargo movement, particularly movement of raw materials. Similarly, traditional shipping companies, both in the private and public sector are foraying into non-shipping activities such as ship-building, terminal operations, dredging, etc. Indian shipping companies are now being allowed to flag their vessels outside the country, which was not the case so far, although the permission from the appropriate authorities is being given on case-by-case

basis. The Indian vessels flagged outside will enjoy freedom in many respects, particularly in recruitment of crew.

Consumer durables industry expects sales to grow 10%

THE Indian consumer durables industry is showing signs of a turnaround with the industry expecting sales to grow 10% during the current financial year. According to a snap poll conducted by the Confederation of Indian Industry (CII), 92% of the Chief Executive Officers (CEOs) surveyed expect sales to increase by 10%. CII Director said that the signs of a turnaround and the growth optimism have come on the backdrop of a difficult period experienced by this sector last year which in turn reveals the vibrancy of this sector to compete and grow.

Indian software services sector expected to touch US\$ 60 billion

ACCORDING to Nasscom Indian software services sector is expected to touch US\$ 60 billion in revenues by 2010 and is looking to earn more revenue from new services, marking the beginning of a new trend in the software services business. The new services on offer include pay-as-you-use software and so-called platform-based back-office offerings

CORPORATE HIGHLIGHTS

- **Hind Latex signs pacts with IL&FS, NNE Pharmaplan**
- **Front-loading washing machine from LG**
- **Tata Motors launches new version of Indica**
- **Kerala SIDCO in marketing tie-up with SRMB Udyog**
- **Britannia launches 5 grain biscuit**
- **Titan Energy in long-term pact with US company Suniva**
- **Bharti Retail, IBM tie up**
- **Toto showroom opened in Chennai**
- **Xpress Deliveries launches retail couriers**
- **GE Healthcare signs MoU with Gujarat Government**
- **DuPont introduces photovoltaic solutions**
- **Advinus in pact with Genzyme, MMV to develop malaria drugs**
- **Japanese logistics firms eye retail, SEZ biz in India**

Hind Latex signs pacts with IL&FS, NNE Pharmaplan

HINDUSTAN Latex (HLL), a mini-ratna company under the Ministry of Health and Family Welfare, has signed a Memorandum of Understanding (MoU) with Infrastructure Leasing and Financial Services (IL&FS) and NNE Pharmaplan for the development of its integrated medical devices and diagnostic manufacturing park and its Integrated Vaccine Complex. The complex is to be set up at Chengleput near Chennai, Tamil Nadu.

Front-loading washing machine from LG

LG Electronics has unveiled its front-loading washing machine model, Steam Tromm, for the Indian consumer. The company aims to garner a 30% market share in washing machine category in India by the end of the year with the new range. Steam Tromm works on Direct Drive Technology, which demands negligible maintenance and has low level of noise. It is priced at Rs 70,000.

Tata Motors launches new version of Indica

TATA Motors launched the new generation of its flagship passenger car Indica. The new model called Indica Vista is larger than the existing Indica and has more interior space than the original one. The car will initially be available in seven variants across 170 dealerships in the country at a price range of Rs 3,49,000 to Rs 4,88,000. Indica Vista will be produced at the Fiat-Tata plant at Ranjangaon near Pune which has an annual production capacity of 2,00,000 cars.

Kerala SIDCO in marketing tie-up with SRMB Udyog

THE Kerala Small Industries Development Corporation (SIDCO) has signed a Memorandum of Understanding (MoU) with SRMB Udyog Ltd, leading manufacturer of TMT bars in the secondary market, for marketing the latter's products in the State. One of the activities of SIDCO is supplying raw materials and providing marketing support to small industrial units in the State and the tie-up will signal the diversification of the corporation's area of operation.

Britannia launches 5 grain biscuit

BRITANNIA has launched a 5 grain biscuit under the Nutri Choice brand which it believes is the healthiest substitute for in-between meal cravings. Priced at Rs 40 for 12, the 17 grams biscuit could be the largest around and contains no cholesterol and zero trans fats. The biscuit maker is betting on it being welcomed by an increasingly health-conscious consumer, and has sub packed it in more convenient-to-carry packets of three

Titan Energy in long-term pact with US company Suniva

TITAN Energy Systems Ltd has entered into a US\$ 480 million, long term supply agreement (up to 2013) with US based company Suniva. Suniva, a manufacturer of crystalline silicon solar cells, would supply these cells to be used by the Hyderabad based Titan Energy, a manufacturer of solar modules and PhotoVoltaics (PV) in its product lines.

Bharti Retail, IBM tie up

BHARTI Retail Ltd and IBM India have announced a strategic partnership under which IBM will provide technology and services that will enable Bharti Retail to scale up operations in the long term. The companies signed the ten year partnership wherein IBM will leverage its worldwide expertise in the retail sector and introduce best practices and innovations that will assist Bharti Retail's plans.

Toto showroom opened in Chennai

THE Chennai-based TVH Consumer Products Private Ltd (TCPPL) launched its dedicated showroom Personal Space to sell Japanese sanitary products, Toto. TCPPL is a distributor for Toto products in Tamil Nadu. The President of Toto Asia Oceania Pte Ltd, said that it was the 10th major showroom in the country and the company has plans of opening six more during the year. In 2007-08, Toto India reported turnover of Rs 2 billion and the company has been growing at about 20% Compound Annual Growth Rate (CAGR) for the last five years.

Xpress Deliveries launches retail couriers

CHENNAI based corporate courier company Xpress Deliveries launched its retail courier business unit, Speedmail Deliveries. It would initially cover Chennai with 30 franchisees and expand to other cities in Tamil Nadu by next March. The current market size of the courier industry is estimated at Rs 70 billion and the industry is growing at 25% a year.

GE Healthcare signs MoU with Gujarat Government

THE London based US\$ 17 billion General Electric (GE) Healthcare and the Government of Gujarat signed a Memorandum of Understanding (MoU) to set up diagnostic imaging facilities in five medical colleges and hospitals of Gujarat. GE will invest Rs 350 million to install diagnostic imaging equipment in the State-run medical colleges at Ahmedabad, Rajkot, Baroda, Bhavnagar and Jamnagar.

DuPont introduces photovoltaic solutions

DUPONT India has announced the introduction of its new market facing business initiative DuPont Photovoltaic Solutions (DPVS) in India. DuPont Photovoltaic Solutions will offer a variety of advanced materials from several DuPont businesses to enable the country's PhotoVoltaic (PV) industry to increase lifetime and efficiency of solar modules and improve the productivity of PV module makers. The DPVS product portfolio includes films, resins, encapsulant sheets, flexible substrates, and conductive pastes for both crystalline silicon and thin film modules to the PV industry in India.

Advinus in pact with Genzyme, MMV to develop malaria drugs

ADVINUS Therapeutics Ltd, the Tata group promoted life sciences Research & Development (R&D) company, has announced a tie-up to develop new anti-malaria drug molecules and therapies with Genzyme Corporation and Medicines for Malaria Venture (MMV), a not-for-profit virtual R&D organization. The collaboration will focus on accelerating current R&D efforts by identifying new malaria-fighting molecules from early stage screening to the first steps of pre-clinical assessment.

Japanese logistics firms eye retail, SEZ biz in India

JAPANESE logistics support firms, including K Line, NYK Line, Kawasaki Kisen, Kaisa, Mitsui OSK Line Ltd and Kintetsu are planning an entry into the Indian market to set up logistics support services centres. This is to provide logistics related services to the retail sector and Special Economic Zones (SEZs) in India in Maharashtra, Madhya Pradesh, Gujarat, Goa, Chattisgarh, Chennai, Haldia, West Bengal, Tuticorin and Karnataka.