



MARKET MOVEMENT

Major Indices	November 28, 2008	December 05, 2008	% Change	Change
BSE Sensex	9,092.72	8,965.20	(1.40)	
NSE Nifty	2,755.10	2,714.40	(1.48)	

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- **RBI announces liquidity management measures & improves credit flow to exporters**
- **SEBI extends validity period of IPOs, rights to one year**
- **FDI norms for foreign publications notified**
- **SEBI extends cross margin facility to all investors**
- **RBI eases lending norms for urban co-operative banks**
- **Sino-India trade increases 69%**

RBI announces liquidity management measures & improves credit flow to exporters

THE Reserve Bank of India (RBI) has announced measures for liquidity management and improving credit flow by doubling the period of entitlement of the first slab of post-shipment rupee export credit from 90 days to 180 days and allowing banks to avail liquidity support from it to accommodate the funding needs of housing finance companies. Banks have been allowed to avail liquidity support under the Liquidity Adjustment Facility (LAF) through relaxation in the maintenance of Statutory Liquidity Ratio to the extent of up to 1.5% of their Net Demand and Time Liabilities (NDTL) for the purpose of meeting the funding requirements of Housing Finance Companies.

SEBI extends validity period of IPOs, rights to 1 year

SECURITIES & Exchange Board of India (SEBI) extends the validity of its approval for Initial Public Offerings (IPOs) and rights issues from 3 months currently, to 1 year, subject to updating of documents by the issuer. In the past, many companies had to again file their draft red herring prospectus if they failed to launch the IPO or rights issue within 3 months getting SEBI's approval. SEBI has also made it mandatory for all new close-ended schemes to be listed on the stock exchanges. Schemes, which have been approved earlier but yet not launched, will also have to list on the exchanges. Investors can now make an early exit from such schemes only through the secondary market and not through the fund house.

FDI norms for foreign publications notified

FOREIGN Direct Investment (FDI) ceiling of upto 26% will be applicable to the publishers of these magazines defined as a periodical publication brought out on non-daily basis containing public news or comments on public news. The entity publishing the edition will have to be an Indian company registered with the Registrar of Companies under the provisions of the Indian Companies Act, 1956. The verification of the title of the publication and its registration will have

to be done with the Registrar of Newspapers for India (RNI) under the Press and Registration of Books Act, 1867 and as per current procedure.

SEBI extends cross margin facility to all investors

SEBI has extended the cross margining norms to all participants across the market. The revision of the existing facility of cross margining and to extend it across cash and derivatives segments to all categories of market participants is been done in order to improve the efficiency of the use of the margin capital by market participants. The positions of traders in both the cash and derivatives segments to the extent they offset each other shall be considered for the purpose of cross margining, as against having separate margins for both the categories.

RBI eases lending norms for urban co-operative banks

RBI has relaxed lending norms for tier-II Urban Co-operative Banks (UCBs), making it easier for them to lend to commercial real estate and Non-Banking Finance Firms (NBFCs). The central bank has rationalised and reduced the standard asset provisioning requirements for tier-II UCBs from 1 to 2% earlier to 0.40% across sectors. It has also slashed risk weights on lending to various sectors. The provisioning norm in case of direct advances to agriculture and Small and Medium Enterprises (SME) sectors is kept unchanged at 0.25%.

China-India trade increases 69%

CHINA-India Bilateral trade increases to US\$ 29 billion mark in the first half of calendar year 2008, recording a 69% jump over the corresponding period last year. India and China are on course to raise bilateral trade to US\$ 60 billion by 2010. Bilateral trade in calendar year 2007 stood at US\$ 38.65 billion, registering an increase of 56% over the previous year.

INDUSTRY WATCH

- **Indian securitisation market solid amidst global meltdown**
- **Telecom services revenue to touch US\$ 54 billion by 2012**
- **Pharmaceutical sector export turnover expected to grow this fiscal**
- **Demand for Indian tea in Pakistan on the rise**
- **Indo-Arab trade can touch US\$ 100 billion**

Indian securitisation market solid amidst global meltdown

THE securitisation market in India is better placed than it is in many other countries, notably the US. The size difference notwithstanding, the Indian market which is less than one-hundredth the size of the US market-has shown greater stability, with few rating downgrades, and zero losses on investor payouts. The relative stability is because of the superior profile of the assets securitised in India, and because the financial instruments created out of the securitised assets in India are far less complex than those in developed markets.

Telecom services revenue to touch US\$ 54 billion by 2012

THE Indian telecom services industry revenues are projected to reach US\$ 54 billion in 2012, as compared with US\$ 31 billion in 2008. The telecom sector has witnessed exponential growth in the past decade. However, the global economic scenario is expected to have a low to medium impact on the overall telecom industry. Despite this scenario, the interest shown by global telecom operators in the domestic market has been very encouraging. The industry will witness sustained

growth in mobile services and data revenues. Network expansion will continue in order to support the rural growth.

Pharmaceutical sector export turnover expected to grow this fiscal

THE exports turnover of the Indian pharmaceutical market is expected to grow in the coming years. The Indian pharmaceutical sector reported an export turnover of US\$ 1.5 billion in the previous financial year and is expected to grow in the current fiscal. At present, the sector meets almost 95% of the country's needs. According to Ministry of Commerce & Industry, Government of India, 32,000 patent applications were received across four patent offices in the country during 2007. In the same year, 15,000 patents were granted on different technologies out of which around 15% belong to the pharmaceutical sector.

Demand for Indian tea in Pakistan on the rise

THE Indian tea industry sees better demand for the beverage from Pakistan, especially from buyers in Karachi. Though significant purchases have not been witnessed at the auction but still they expect a pick up. The World Bank has approved a new loan package for Pakistan that will arm our neighbouring nation with better purchasing power and it will also result in better tea off take.

Indo-Arab trade can touch US\$ 100 billion

BILATERAL trade relations between India and the Arab world can touch US\$ 100 billion mark in the next two-to-four years if the current active pace continues. The remarkable growth in the Indian economy as also in the Arab economies have driven a huge interest in cross-border investment, during 2006-07, the total trade exchange between India and Arab countries excluding oil trade reached US\$ 30 billion from US\$ 8.8 billion during 2000.

CORPORATE HIGHLIGHTS

- **Indian owned firm buys German's Wehmeyer**
- **Harita Seating acquires Polyflex Group**
- **Mukand in pact with Japan's Kobe Steel**
- **Ranbaxy in pact with BioPro to market brain tumor drug in India**
- **Zee News ties up with Voice of America**
- **Essar Steel signs tech pact with Japan's Kobe**
- **A&T ties up with R.L.Institute**
- **Oceanaa in pact for shrimp hatchery**
- **DB Hospitality looks to expand in pact with Japan's JAL Hotels**
- **Punj Lloyd signs pact with Thorium Power of US**
- **Manipal Education buys out Antigua University**

Indian owned firm buys German's Wehmeyer

TECHNO Life style has acquired mid-market German retailer Wehmeyer. Wehmeyer has a consolidated turnover of Rs 9 billion and 43 retail stores across Germany. It sells apparel and accessories for men and women from leading brands such as Esprit, S Oliver and Lerros besides having a portfolio of its own brands.

Harita Seating acquires Polyflex Group

HARITA Seating Systems Ltd has acquired the Polyflex Group of companies. This acquisition will give Harita an entry into passenger car segment through tier-1 companies. Harita makes seats for two-wheelers, commercial vehicles, tractors and buses. Polyflex supplies polyurethane foam for seats to Tata Johnson, in Pune and Chennai, and Dymos India (formerly known as Hanil Lear) in Chennai. It is a tier-2 supplier to Tata Motors, Ford and Hyundai. Polyflex has manufacturing plants in Bangalore, Chennai and Pune. Besides, it also has a fabrication unit called Polyflex Engineering in Bangalore.

Mukand in pact with Japan's Kobe Steel

MUKAND Ltd has entered into an exclusive licence agreement with Kobe Steel of Japan to execute Engineering, Procurement and Construction (EPC) contracts of Kobe's coal-based iron making technology projects in India. Kobe has developed an innovative technology to produce high quality iron nuggets. It will offer its expertise in process technology, engineering, supervision, operation and commissioning and training, while Mukand will contribute in terms of design and project execution. Depending on the location of the plant, laboratory tests of various raw materials would be done by Kobe to finalise technological parameters before designing the plant.

Ranbaxy in pact with BioPro to market brain tumor drug in India

RANBAXY Laboratories Ltd has signed an exclusive agreement with BioPro Pharmaceutical Inc for marketing a brain tumor drug Gliadel in India. Gliadel Wafer is indicated in newly diagnosed patients with high-grade malignant glioma as an adjunct to surgery and radiation. It is also indicated in recurrent glioblastoma multiforme patients as an adjunct to surgery. Gliadel is the only US FDA-approved chemotherapeutic implant for use during surgical resection, providing localised delivery of chemotherapy directly into the cavity created when a brain tumor is removed during surgery.

Zee News ties up with Voice of America

ZEE News has tied up with Voice of America, one of the biggest public broadcasters in the US.

Voice of America is expected to give Zee News an advantage over its competitors by providing it unprecedented access to the US market. The alliance will help Zee News in featuring stories of Indian interest from all across America. Zee News will air a five-minute daily segment named America LIVE, which will be a part of the 8 a.m. news bulletin. In addition, Zee News will also telecast relevant stories in the afternoon (2:00 p.m.) and prime time news bulletin News Top 10.

Essar Steel signs tech pact with Japan's Kobe

THE Hazira-based Essar Steel Ltd (ESL) announced an umbrella agreement with Kobe Steel Ltd of Japan, gaining operational technology to manufacture higher quality steel products. The agreement also envisages supplying certain resources to Kobe, such as slabs and other raw materials. This agreement will further strengthen Essar Steel's product portfolio to enable it to produce steel for high-end applications in the auto segment, besides other technical guidance in certain areas.

A&T ties up with R.L.Institute

A&T, a networking and video over IP specialist, signed a Memorandum of Understanding (MoU) with R.L. Institute of Management Studies for a practice school programme with exposure to actual work experience in the areas of Human Resource, Finance and Marketing, the initiative is a

follow-up of the concept mooted by Confederation of Indian Industry (CII) to fill the gap in the education system and the industry needs and is the second tie-up by the group.

Oceanaa in pact for shrimp hatchery

OCEANAA Group's Oceanic Edibles International Ltd has signed a tripartite pact with Indian Overseas Bank (IOB) and a group of farmers for shrimp hatchery. According to the agreement, IOB will extend loans to shrimp farmers in Tamil Nadu and Pondicherry who, under contract farming scheme of Oceanic Edibles, will culture shrimps. Oceanic will supply these farmers' seeds, feed and technology support, and will also buy back prawns for further processing and export.

DB Hospitality looks to expand in pact with Japan's JAL Hotels

DB Hospitality has signed a comprehensive agreement with Japan's JAL Hotels for developing properties for its brand Nikko Hotels in nine cities in India. DB Hospitality would be investing a total of US\$ 1 billion over the next 4 years for the development of hotel projects in the country. The company is planning projects in Mumbai, Pune, Delhi, Gurgaon, Noida, Chennai, Kolkata, Bangalore and Hyderabad Mumbai.

Punj Lloyd signs pact with Thorium Power of US

PUNJ Lloyd Ltd signed a 50:50 Joint Venture (JV) company with US-based Thorium Power Ltd for building nuclear power plants. The new company will combine Punj Lloyd's expertise in EPC contract work and Thorium Power's technological expertise in the use of thorium to generate nuclear power. This is the first agreement signed between an Indian company and a US nuclear power company since the Indo-US civil nuclear cooperation.

Manipal Education buys out Antigua University

MANIPAL Education has acquired the entire shareholding of American More Pictures University of Antigua (AUA) from New York-based Greater Caribbean Learning Resources. The Caribbean is a well-established market for medical students from the US mainland, where the availability of seats far outstrips demand. Manipal Education, which is primarily into medical education with campuses in Malaysia, Nepal and Dubai, is estimated to end the current financial year with a topline of US\$ 200 million.