



MARKET MOVEMENT

Major Indices	September 05, 2008	September 12, 2008	% Change	Change
BSE Sensex	14,483.83	14,000.81	(3.33)	
NSE Nifty	4,352.30	4,228.45	(2.84)	

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- **Government issues guidelines for IPTV services**
- **AP Government gives in principle nod to regularize services of daily paid employees**
- **Government relaxes norms for FM radio companies to restructure business**
- **Cabinet approves rise in contribution to IMF**
- **Increasing the authorized share capital of the NMDFC**

Government issues guidelines for IPTV services

THE Ministry of Information & Broadcasting has issued guidelines for provisioning of Internet Protocol Television Services (IPTV). IPTV is a system where an interactive digital television service is delivered over an internet connection instead of the traditional way of transmitting through a cable network. Users will also get new services such as video-on-demand, where they can watch their favorite movies for a fee. They can time their programmes, and view them at their own leisure. Since IPTV delivers TV channels in digital form, the quality of TV viewing is expected to be much better as compared with analog transmission. It would require either a computer and software media player or an IPTV set-top box to decode the images in real time.

AP Government gives in principle nod to regularize services of daily paid employees

THE Andhra Pradesh (AP) Government has decided to regularize the services of all the deserving employees of 3,225 daily paid employees, for those working as contract staff in the Integrated Tribal Development Agency (ITDA), ashram schools, tribal hostels and Tribal Welfare Engineering Department. The Chief Minister gave an in principle approval to regularize the services of the deserving candidates immediately after deciding the cadre strength in each of these places.

Government relaxes norms for FM radio companies to restructure business

Frequency Modulation (FM) radio companies will now be able to restructure their business before the five-year lock-in period, with permission from the Ministry of Information and Broadcasting. The Union Cabinet approved guidelines to allow mergers and creation of subsidiaries of FM radio companies, on certain conditions. The move is expected to allow companies to bring in additional equity. The Government will now allow mergers, demergers, subsidiaries and amalgamations in FM Phase II Policy.

Cabinet approves rise in contribution to IMF

THE Union Cabinet, gave its approval to undertake the necessary expenditure towards capital payments for raising the country's quota in the International Monetary Fund's (IMF) from 4,158.2 million Special Drawing Rights (SDR) to 5,821.5 million SDR (SDRs, or special drawing rights represent a basket of leading currencies, with one SDR currently equal to US\$ 1.54 or Rs 69.48). India's quota share in the global total will go up from 1.91 to 2.44%. This will, in turn, translate into higher voting share, enhancing the country's voice and participation in the IMF.

Increasing the authorized share capital of the NMDFC

THE Union Cabinet gave its approval for increasing the authorized share capital of the National Minorities Development & Finance Corporation (NMDFC) from Rs. 7.5 billion to Rs. 8.5 billion. This will ensure higher flow of funds to NMDFC and enable it to be more effective in helping the target groups.

INDUSTRY WATCH

- **Dataquest says Indian IT domestic market growing faster than exports**
- **Indian services sector to register over 9.5% growth in 2008**
- **Indian auto industry to lead globally by 2020**
- **IIP likely grow 9.1% in Financial Year 2009, says CMIE**
- **Mid-to-long term outlook for real estate sector positive**

Dataquest says Indian IT domestic market growing faster than exports

ACCORDING to a recent survey by information technology magazine Dataquest, published by Cyber Media Digital Limited. India's domestic Information & Technology (IT) market grew by 29% in the financial year 2007-08, its growth rate overtaking the IT export market growth for the first time in a decade, an accelerated 34% growth in financial year 2008 (as compared to 27% in financial year 2007) took the total domestic IT market, to Rs 990 billion in financial year 2008 reversing the decade old trend of export industry growing faster than the domestic market.

Indian services sector to register over 9.5% growth in 2008

ACCORDING to a survey by Confederation of Indian Industry (CII) the services sector in India is expected to grow by more than 9.5% during 2008 owing to robust investment in the sector. The majority of the Chief Executive Officer (CEO) respondents for this snap poll were from the services sector, and they asserted that the sector would continue to expand and generate employment opportunities, primarily in the healthcare segment.

Indian auto industry to lead globally by 2020

ACCORDING to IT and consultancy giant IBM the Indian automobile industry is all set to be the global leader by 2020, with the trailblazing innovative work the Nano done by the Tatas etc. The study further stated that India had a strong case for becoming a key hub for product development, innovation and manufacture of the technically-advanced, green vehicle.

IIP likely grow 9.1% in Financial Year 2009, says CMIE

THE Centre for Monitoring Indian Economy (CMIE), an independent economic think tank, expects India's industrial production to grow by 9.1% in the current fiscal. The CMIE said sectors like machinery (with a weight of 18% in the index for industrial production), chemicals (14.5%), basic metal (12.4%), rubber, plastic and petroleum products (11.8%) and transport equipment

(11%) would be the growth engine for this year. The projection is based on analysis of projected capacity and expected capacity utilization of major industries.

Mid-to-long term outlook for real estate sector positive

ACCORDING to a consultancy firm, Ernst & Young, the mid-to-long term outlook for the real estate sector is positive. The momentum of the market in the mid-to-long term would be the emergence of new markets, ongoing corporatization of the sector, integration with global markets, greater transparency, innovative products, and new funding mechanisms.

CORPORATE HIGHLIGHTS

- **Berggruen Hotels ties up with Morocco's Filacom for global foray**
- **Greatship, Norwegian co ink pact for sub-sea project**
- **JDTI, Italian design firm tie-up**
- **SBI Funds, Karur Vysya tie-up**
- **MCX inks deal with telecom equipment makers body**
- **Australian dry cleaning major to launch retail chain**
- **Godrej forays into TV sets business, 13 models launched**
- **Hindustan Latex signs pact for business incubation centre**
- **IFCR in pact for collaborative research**
- **GKB Ophthalmics ties up with Spanish company**
- **Sneha Kinetic in pact with US Company for power project in Sikkim**
- **Texas Chicken enters India with outlet in Hyderabad**

Berggruen Hotels ties up with Morocco's Filacom for global foray

BERGGRUEN Hotels, promoted by the New York-based Berggruen Holdings, has announced its international foray with a joint venture with the Morocco-based Filacom Pvt Ltd. The company is also looking at developing hotels/ resorts in Sri Lanka and Maldives. Also on the cards are hotel or service apartment projects in Turkey, Dubai, Sharjah, Bahrain and Qatar.

Greatship, Norwegian company ink pact for sub-sea project

GREATSHIP India Ltd (GIL), the wholly-owned subsidiary of Great Eastern Shipping Company, has inked a Joint Venture (JV) with DOF Subsea ASA of Norway to focus on sub-sea project opportunities in the Indian subcontinent. DOF is a global supplier of sub-sea services, with the core business being execution of complex sub-sea operations down to depths of 4,000 metres. GIL has six marine assets operating across the world.

JDTI, Italian design firm tie-up

JEWELLERY Design and Technology Institute (JDTI), a jewellery design and training institute, has signed a Memorandum of Understanding (MOU) with Istituto Europeo Di Design (IED), a design institute based in Italy's fashion capital Milan. IED is an international network of institutes that operates in the field of training and research in the disciplines of jewellery design, fashion, visual arts and communication. JDTI and IED have decided to collaborate in order to provide wider educational opportunities and platforms to the students of jewellery design.

SBI Funds, Karur Vysya tie-up

SBI Funds Management Pvt Ltd, investment managers for SBI Mutual Fund, has tied-up with Karur Vysya Bank (KVB), a private sector bank in Tamil Nadu, offering its mutual fund investment products to the bank's customers. The move is part of an effort to reach the semi-urban and rural areas, and also to tap the markets of Chennai and Coimbatore. The bank has already been providing Bancassurance and depository services and the added distribution of mutual fund products, is part of an effort to become a one-stop shop financial supermarket in providing the entire gamut of financial services to the customers.

MCX inks deal with telecom equipment maker's body

MCX has signed a Memorandum of Understanding (MoU) with Telecom Equipment Manufacturers Association (TEMA) to use the platform for metal price discovery. The objective of the alliance is to share knowledge about metal commodities with the members of TEMA and to increase their participation on the exchange platform. MCX trades widely on metals such as aluminium, copper, zinc, nickel, tin and lead. The members can benefit by availing of exchange benefits such as price discovery, hedging risks and having access to information at a national as well as international level. TEMA has around 180 members spread over the country, who are connected with the metals usage in the telecom industry.

Australian dry cleaning major to launch retail chain

AUSTRALIAN dry-cleaning and laundry major Brown Gouge has entered into a technical collaboration with Delhi-based Diamond Fabcare to launch retail chain Wardrobe. With an investment of Rs 1.5 billion in the first phase, Wardrobe will spread its footprint in the North initially and look for a pan-India presence in a three-year horizon.

Godrej forays into TV sets business, 13 models launched

MAKING its foray into the premium colour television sets segment, Godrej Appliances, an arm of the US\$ 3 billion Godrej & Boyce, has unveiled 13 models, with a price range of Rs 6,500 to Rs 70,000. iPIX (intelligent processing for image excellence) technology is being used that reduces noise in the input signals, ensuring a clear picture quality. The company would focus on the Southern market initially, before expanding to other parts of the country.

Hindustan Latex signs pact for business incubation centre

HINDUSTAN Latex Ltd, a mini ratna company under the Ministry of Union Health, has signed a Memorandum of Understanding (MoU) with the Rajiv Gandhi Centre for Biotechnology (RGCB) to set up a technology business incubation centre. The incubation centre, coming up at RGCB, will translate the available technologies that are remaining at the bench level into healthcare products for the masses.

IFCR in pact for collaborative research

IFCR India, an organisation in clinical research and training, has signed a Memorandum of Understanding (MoU) with Cellcutix and KARD Scientific for collaborative research. The collaborators believe that this will fill the gap between the expectations of the patients and the scientific aid available. They are focused on cancer research and had led to the development of the anti-cancer compounds Cryptophycin and blockbuster drugs Alimta and Gemzar.

GKB Ophthalmics ties up with Spanish company

THE Goa-based GKB Ophthalmics Ltd, an eye-care product manufacturer and marketer, has signed a Joint Venture (JV) pact with Spain-based multinational company Indo Prime Visual Technologies Pvt Ltd to market the latter's high-end optical and ophthalmic products, including high precision equipment, in the Indian and Asian markets. The JV with 50% holding by both the groups represents one more step for Indo in its aim for increasing its representation in the Asian market. This agreement would boost the equipment business unit, currently representing 28% of Indo's total income.

Sneha Kinetic in pact with US Company for power project in Sikkim

SNEHA Kinetic Power Company has signed a Memorandum of Understanding (MoU) with Synergics Energy Services, a US-based firm specializing in development of wind and hydro power. According to the MoU, Synergics will help the Hyderabad-based firm in the development of a 96 Mega Watt (MW) hydroelectric power project on Dikchu River in Sikkim.

Texas Chicken enters India with outlet in Hyderabad

TEXAS Chicken, the chicken fast-food brand of the US-based Church's Chicken, to tap the burgeoning fast-food market opportunity in India. The company has kicked off its Indian operations by opening its first outlet in Hyderabad. The company, which had a network of 1,600 outlets in 20 countries, has plans to open at least 300 outlets in the next 10 years.