



MARKET MOVEMENT

Major Indices	March 28, 2008	April 04, 2008	% Change	Change
BSE Sensex	16,371.29	15,343.12	(6.28)	
NSE Nifty	4,942.00	4,647.00	(5.97)	

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- Cabinet panel nod for IT investment regions
- SEBI allows institutional clients to have Direct Market Access
- Cabinet approves Rs 2.3 billion fund for tea
- Rs 640 million Central aid for rural water supply scheme
- Centre approves housing projects for Karnataka

Cabinet panel nod for IT investment regions

THE Government approved a policy to create Information Technology Investment Regions (TIRs), in a bid to fuel the growth of electronics hardware manufacturing in the country. These regions are specifically-notified zones that would include IT/Business Process Outsourcings (BPOs), electronics hardware manufacturing units, public utilities, residential area, social infrastructure and administrative units. These regions would attract investment, create employment opportunities, propel economic growth and simultaneously reduce the pressure on existing urban centres.

SEBI allows institutional clients to have Direct Market Access

THE Securities Exchange Board of India (SEBI) has said that institutional investors can now have Direct Market Access (DMA) without brokers' manual intervention if suitable infrastructure is created by brokers. SEBI said DMA offered clients' direct control over orders, faster execution, reduced risk of errors associated with manual orders and better audit trails.

Cabinet approves Rs 2.3 billion fund for tea

THE Cabinet has approved a Rs 2.3 billion fund under the 11th five year plan (2007-2012) for quality upgradation and product diversification of tea. Out of this, Rs 1 billion will be spend as subsidy on orthodox tea. Nearly, Rs 870 million will be utilised for modernisation of tea processing factories and Rs 370 million will be spend on creating infrastructure for value-added exports of high quality tea.

Rs 640 million Central aid for rural water supply scheme

THE Ministry of Rural Development has granted Rs 639.3 million to Andhra Pradesh under the Rajiv Gandhi National Drinking Mission of the Centrally-sponsored Accelerated Rural Water Supply Programme (ARWSP) for the year 2007-08. The grant was made towards restoration of cuts imposed while releasing the second instalment of funds against the original allocation of Rs

2.82 billion under the programme. Up to 15% of funds released under this sanction may be utilised for operation and maintenance, while up to 5% would be spent for taking sustainability measures.

Centre approves housing projects for Karnataka

THE Government sanctioned 25 housing projects under the Integrated Housing and Slum Development Programme (IHSDP) and 7 projects under the Basic Services to the Urban Poor (BSUP) programme for poll-bound Karnataka. The projects approved by the central sanctioning and monitoring committee, envisage the construction of 34,899 houses at a cost of Rs 6.55 billion. While 13,053 houses will be constructed under IHSDP, 21,846 houses will be constructed under BSUP. The cost of these projects will be shared between the Central Government and the Karnataka Government.

INDUSTRY WATCH

- **PC makers focusing on consumer segment**
- **IT spend by Small and Medium Businesses set to rise 22%**
- **Insurance industry posts 12% growth in FY 2008**

PC makers focusing on consumer segment

THE Personal Computer (PC) makers are betting big on exclusive brand stores and large format retail outlets to capture the consumer market in India. The market for consumer PCs grew 23% year-on-year (y-o-y) in 2007, compared with 19% for the commercial PC market. For some of the PC makers who have traditionally been strong in the enterprise or commercial sector, the focus now is on the consumer segment as well. Lenovo, which recently launched its consumer PC brand Idea, said the company has about 140 exclusive stores and plans to double it in 2008-09. Large format electronics retail stores such as Croma, Next, E-Zone and others are gradually becoming the preferred destination for PC makers to display their wares.

IT spend by Small and Medium Businesses set to rise 22%

SMALL and Medium Businesses (SMBs) in India are expected to spend \$9.7 billion on IT in 2008. This would be an increase of 22% over their IT spend in 2007. The expected growth in IT spend by Indian SMBs in 2008 will be fuelled by a boom in the overall economy and a rise in the number of small businesses. As the quantum of IT expenditure among SMBs rises, there has been a marked change in the perception of IT as a support function to that as an enabler of competitive advantage.

Insurance industry posts 12% growth in FY 2008

THE general insurance industry grew 12% till February in 2007-08 with robust performance by private players including Reliance General, which continues to be the fastest growing insurer. The 13 non-life insurers collected Rs 254.7 billion in premium till February in FY 2008, against Rs 249.98 billion collected in the last fiscal. During the period, the 4 public sector non-life insurance companies collected Rs 152.8 billion, as against Rs 146.86 billion in the same period last fiscal. The private players increased their business from Rs 79.81 billion to Rs 101.9 billion during the period.

CORPORATE HIGHLIGHTS

- **TVS launches electric scooter**
- **Tata Motors gets Thai Government nod to make eco-cars**

- **Nalco, BEML sign deal for rails, aluminium coaches**
- **Maruti posts record annual sales, up 13.3%**
- **Dabur banking on rural areas for baby care market**
- **Mahindra buys Italian gear firm**
- **Bharti AXA gets SEBI nod for MF foray**
- **Pressmart signs pact with Curtis**
- **Suzlon Energy bags order from Horizon Wind**
- **Emaar MGF ties up with Marriott**
- **DLF, Hilton sign management pacts**
- **L&T bags Rs 5.76 billion HPCL order**
- **BHEL bags Rs 5.5 billion export order**
- **Godrej Agrovet, Future Group Company tie up**

TVS launches electric scooter

TVS Motor Company launched its first electric scooter, Scooty Teenz Electric. It will run on the Valve-Regulated-Lead-Acid (VRLA) battery, the vehicle is powered by a 800 watt motor and can carry up to 130 kg of load. It can deliver an average range of 40 km per nine hours of battery charge. The maximum speed the vehicle can clock is 40 kmph.

Tata Motors gets Thai Government nod to make eco-cars

TATA Motors has received the Thailand Government's approval for setting up a greenfield facility to manufacture eco-cars at an estimated investment of Rs 7.6 billion - 10.15 billion. Thailand had invited car makers from around the world for manufacturing environment-friendly cars while proposing to give tax benefits subject to certain conditions. Toyota and Mitsubishi have also received approval for similar facilities.

Nalco, BEML sign deal for rails, aluminium coaches

NATIONAL Aluminium Company (NALCO) has entered into a Memorandum of Agreement (MoA) with Bharat Earth Movers Ltd. (BEML) for production of aluminium rails and wagons, and subsequently, aluminium rail coaches and metro coaches. According to the agreement, the products would be jointly developed. Nalco would supply aluminium extrusions after conversion from its billets and ingots through a third party.

Maruti posts record annual sales, up 13.3%

MARUTI Suzuki India reported its highest ever annual sales, registering a growth of 13.3% in 2007-08 over the previous fiscal. The company said it sold 7,64,842 vehicles in 2007-08 as against 6,74,924 units in the previous year. During the full fiscal year, domestic sales stood at 7,11,818 units as against 6,35,629 units, a growth of 12%. Exports also recorded a quantum jump of 34.9% at 53,024 units as compared to 39,295 units in the previous year.

Dabur banking on rural areas for baby care market

DABUR is banking on the country's rural and semi-urban areas for growth in the baby care segment. The rural market accounts for nearly 60% of the company's topline in the segment and continues to grow at a much rapid pace than urban India. Dabur, which is one of the leading players in the baby care segment, has three products in its portfolio, including the flagship Dabur Lal Tel, which has an overall market share of over 25%. The company is especially looking at the digestives and massage categories in the baby care segment for growth, since it has a market pie of

over 23%.

Mahindra buys Italian gear firm

MAHINDRA & Mahindra (M&M) said it has signed a definitive agreement, through a consortium with ICICI Venture Funds, to acquire 100% stake in an Italian gear manufacturer, Metalcastello S.p.A. Together with ICICI Venture, they expect Metalcastello S.p.A, will help them replicate in the gear vertical what Mahindra Forging Ltd (MFL) has achieved in the forgings space. The customer base of both MFL and Metalcastello is complimentary and will enhance the synergies.

Bharti AXA gets SEBI nod for MF foray

BHARTI AXA Investment Managers has received regulatory approval from SEBI to start its **Mutual Fund (MF) business**. The company is a Joint Venture (JV) between Bharti Ventures, AXA Investment Managers (AXA IM) and AXA Asia Pacific Holdings. AXA IM is one of the largest Europe-based asset managers with \$830 billion in assets under management as of end December 2007. Bharti Ventures is part of Bharti Group, with interests in telecom, agri-business, insurance and retail.

Pressmart signs pact with Curtis

PRESSMART Media announced it has entered into an alliance with the \$1.5 billion American Magazine distribution major **Curtis Circulation Company**. This alliance, which opens a big e-publishing business opportunity for Pressmart, will provide access to Curtis' network of 1,200 magazines. These include *Elle*, *Forbes*, *Newsweek* and other leading titles. Under the agreement, Pressmart and Curtis will introduce iMags service and target new e-publishing business opportunities in the US.

Suzlon Energy bags order from Horizon Wind

SUZLON Energy Ltd has said that **Suzlon Wind Energy Corporation**, the subsidiary of Suzlon Energy Ltd has signed a repeat order with **Horizon Wind** for 200 MW of wind turbine capacity. The original contract calls for delivery of 400 MW of turbine capacity in 2008 and 2009, and now has been expanded to include an additional 200 MW in 2009. The capacity will be supplied in Suzlon's S88-2.1 MW wind turbine and will be delivered to various ready-to-build sites across the US.

Emaar MGF ties up with Marriott

EMAAR MGF is partnering **Marriott International Inc.** to design, construct and equip luxury-branded **JW Marriott Hotels** in New Delhi, Hyderabad, Kolkata and a 'Courtyard by Marriott' hotel in Amritsar, at a total investment of over \$400 million. The hotel projects are likely to be completed by 2010-end. While Emaar MGF will be the owner and developer of the proposed hotels, Marriott International shall provide advisory and management services for the planning, design, construction and operations.

DLF, Hilton sign management pacts

DLF and Hilton Hotels Corporation in India announced that they have signed management agreements involving 7 new hotel developments in the pipeline. This marks the second phase in the DLF-Hilton JV Company's overall strategic development plans to build and develop 75 hotels in India in the next 5-7 years.

L&T bags Rs 5.76 billion HPCL order

LARSEN & Toubro (L&T) has been awarded a Rs 5.76 billion order for a 200,000 tonne per annum lube oil base stock plant by Hindustan Petroleum Corporation Ltd (HPCL). The plant will consist of a raffinate hydrotreating unit, mobil selective de-waxing unit and a hydro finishing unit. This is to enable HPCL to produce high quality group II & III lube oils, which are higher value-added petroleum products.

BHEL bags Rs 5.5 billion export order

BHARAT Heavy Electricals Ltd (BHEL) announced that it has bagged a Rs 5.5 billion export order for supply of boilers. The order has been received from Koniambo Nickel SAS, an overseas JV of Switzerland-based mining group Xstrata PLC and a local company in New Caledonian. The contract envisages supply of 2x135 MW environment-friendly Circulating Fluidised Bed Combustion Boilers and auxiliaries.

Godrej Agrovet, Future Group Company tie up

GODREJ Agrovet Ltd and Future Ventures India Ltd announced that they have entered into a JV agreement for rural retailing. Future Ventures India Ltd, a Future Group company, will own a 70% stake in Aadhaar Retailing Ltd, with the rest owned by Godrej Agrovet Ltd. Godrej Aadhaar, the agri-services-cum-rural retail initiative, will continue to be a complete solution provider for the farmer.