



**MARKET MOVEMENT**

Major Indices	November 21, 2008	November 28, 2008	% Change	Change
BSE Sensex	8,915.21	9,092.72	1.99	
NSE Nifty	2,693.45	2,755.10	2.88	

**INDIAN ECONOMY AT A GLANCE****POLICY WATCH**

- **Government approves 32 FDI proposals**
- **Pricing norms eased for ADR/GDR issues by listed Indian companies**
- **Lakshadweep gets nod for 100-tonne fishing vessel buy**
- **CCEA okays changes to North East road development plan**
- **Cabinet nod to fresh India-UAE air services pact**

**Government approves 32 FDI proposals**

THE Ministry of Finance (MoF) stated that the Government has approved 32 Foreign Direct Investment (FDI) proposals with the total value of US\$ 172 million, including a proposal by Federal-Mogul, an auto-parts supplier company controlled by billionaire Carl Icahn. Federal-Mogul will invest US\$ 15.12 million to set up manufacturing facilities for sealing products. FDI in India from March-September 2008 increased by 137% to US\$ 17.21 billion, due to the inflows into construction, real estate, services, computer hardware and software firms.

**Pricing norms eased for ADR/GDR issues by listed Indian companies**

THE MoF has revised the pricing norms for Indian listed companies issuing American Depository Receipts (ADRs)/Global Depository Receipts (GDRs)/Foreign Currency Convertible bonds (FCCBs). The first change related to the timeline for determining the pricing. The Government has now specified that the pricing should not be less than the average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during the two weeks preceding the relevant date. The other change related to the relevant date. The relevant date means date of the meeting in which the board of the company or the committee of directors, duly authorised by the board of the company, decides to open the proposed issue.

**Lakshadweep gets nod for 100-tonne fishing vessel buy**

THE Centre has approved the acquisition of a 100-tonne fishing mother vessel to the Territory of Lakshadweep at a cost of Rs 300 million. The news of acquiring the mother vessel has brought cheer to the fishing community of the islands and it would be a watershed in the history of fisheries in Lakshadweep. The Lakshadweep Administration would be breaking new path in the fisheries sector by bringing in the first mother vessel, which all the other coastal regions in the country can emulate. Mother vessels and factory vessels have revolutionised the fishing industries of several maritime countries, including immediate neighbours such as Maldives.

### **CCEA okays changes to North East road development plan**

THE Cabinet Committee on Economic Affairs (CCEA) has approved certain modifications to the Phase A of Special Accelerated Road Development Programme in North East (SARDP-NE) to provide road linkage to Sittwe port in Myanmar. The port is being developed as part of Kaladan multi-modal transit transport project in Myanmar. The total additional gross budgetary support of Rs 10.50 billion for SARDP-NE has been approved, thus raising the total grant to Rs 58.73 billion.

### **Cabinet nod to fresh India-UAE air services pact**

THE Government gave its approval for the signing of a revised air services agreement between the India & UAE. This agreement will supersede the existing Air Services Agreement (ASA) signed between the two countries on March 21, 1989. The present ASA is based on the modern International Civil Aviation Organisation (ICAO) template. The Cabinet also gave its approval for the signing of memorandum of cooperation between India and the League of Arab States on the establishment of an India-Arab Cooperation Forum.

## **INDUSTRY WATCH**

- **Indian oil sector set to grow in both absolute and %age terms**
- **Huge growth in clinical trials in country**
- **October adds highest ever mobile subscribers at 10.42 million**
- **120 new FIIs have registered in India**
- **India witnesses 36% rise in VC investments**
- **Healthcare gets US\$ 450 million from PE funds this year**

### **Indian oil sector set to grow in both absolute and %age terms**

INDIAN oil accounts for more than 35% of India's primary energy consumption, and is set to grow in both absolute and %age terms. India's petroleum imports to triple between now and 2030, at which point India will be the world's third largest importer of petroleum, with volumes roughly equivalent to Japan's current imports, India's increasing role in the realm of energy is part of a wider shift in global power and influence from the developed world.

### **Huge growth in clinical trials in country**

CLINICAL trials in the country have witnessed a tremendous growth in recent years. In 2005, around 100 clinical trials had been approved in the country by the Drugs Controller of India (DCI). In 2006, it increased to around 150 and to 240 in 2007. In the current year, around 450 have already been approved. Clinical trials are conducted to ensure the safety and efficacy of newly-invented drugs or devices. These trials can take place only when a satisfactory information or data has been collected on the quality of the product.

### **October adds highest ever mobile subscribers at 10.42 million**

INDIA added the highest-ever addition to the mobile subscriber base at 10.42 million taking the total number of mobile users to over 325 million. India already has the distinction of being the world's fastest growing telecom market. During the month of September, the total (Global System for Mobile (GSM), Code Division Multiple Access (CDMA) and Wireless Local Loop (WLL)) addition was of 10.07 million. With this, the overall tele-density stood at 31.50% at the end of October against 30.64% in September. The total broadband subscriber base rose to 5.05 million by the end of October 2008 from 4.90 million in September.

### **120 new FIIs have registered in India**

**120 new Foreign Institutional Investors (FIIs) have registered in India.** These FIIs come from a diverse set of operational areas, and includes names like American Airlines, International Finance Corporation, University of Southern California, Bank of Korea, the Bill & Melinda Gates Foundation, and Warburg Pincus International. The months of September-November have seen registration of 358 new sub-accounts, the highest in any block of three months in 2008.

### **India witnesses 36% rise in VC investments**

**VENTURE capital (VC) investment in India surged by 36% to US\$ 290 million for the period July-September 2008,** the growth was due to the increased investment by existing players and the entry of new funds. Venture capital (VC) investments have continued to grow in India and China, despite the global economic slowdown, as both the countries witnessed significant increase in VC investments during the Q3 of 2008.

### **Healthcare gets US\$ 450 million from PE funds this year**

**PRIVATE Equity (PE) funds are increasing their investments in Indian healthcare space. Funds such as ICICI Ventures, IFC, Ashmore and Apax Partners have invested about US\$ 450 million** in the first six months of the current financial year compared with US\$ 125 million in the same period a year ago. The rise in investments is over three fold. Additionally, the average deal size in the healthcare sector has doubled to US\$ 20 million in the period compared with US\$ 10 million a year earlier.

## **CORPORATE HIGHLIGHTS**

- **Sun Pharma buys US Company Chattem Chemicals**
- **Vascon Engineers unveils 2 green projects**
- **Centrum's US office gets approval to operate as broker in NYSE**
- **BPCL in money transfer tie-up**
- **Sparsh BPO opens delivery centre**
- **Neuland eyes 20% revenues from Japan**
- **7Seas Tech in pact with UK firm**
- **Call Genie, TCS tie up**
- **Cisco, SIDBI tie up to nurture innovation in small units**
- **TVS Motor, IndusInd Bank in pact**
- **Indian Maritime University ties up with global schools, IIMs for courses**

### **Sun Pharma buys US Company Chattem Chemicals**

**SUN Pharmaceutical Industries Ltd has acquired Chattem Chemicals Inc, a US-based narcotic substances producer and importer, for an undisclosed amount.** For the year ending June 2008, Chattem is estimated to have clocked sales of US\$ 26 million. The transaction comes even as Sun Pharma's acquisition of Israeli generic-drug-maker Taro remains incomplete and mired in litigation.

### **Vascon Engineers unveils 2 green projects**

**PUNE-based Vascon Engineers has announced the launch of two projects in Baner Willows, a blue-chip residential project, and Eco tower,** an office complex designed to be green right from the inception stage. The first phase of Willows would have 80 flats, ranging from 2,500 sq ft to 3,000

sq ft, and some penthouses of 6,000 sq ft. 65% of the flats have been booked before the formal launch. All the bookings were by end-users. In Willows, each floor would have two apartments, and a private garden would be made available to each apartment.

### **Centrum's US office gets approval to operate as broker in NYSE**

THE US office of the Centrum group has received regulatory approval to operate as a broker/dealer on New York Stock Exchange (NYSE). The Centrum group, which offers a range of financial services in India, said it would go ahead with its expansion plans both domestic and international, notwithstanding the current market conditions.

### **BPCL in money transfer tie-up**

BHARAT Petroleum Corporation Ltd (BPCL) has signed a MoU with Airwings Services Pvt Ltd an agent of MoneyGram International to offer international money transfer service in India from its select retail outlets. Moneygram now will have about 100 of BPCL outlets by March 2009 in its network across the country. Adding Money Gram's money transfer service will add value to our customers and widen the array of services that we offer to them.

### **Sparsh BPO opens delivery centre**

SPARSH BPO Services, the domestic BPO subsidiary of Intelenet Global Services Pvt Ltd (Intelenet), inaugurated its new delivery centre in Puducherry as part of a strategic deal with Aircel, a mobile services operator in India. It will provide customer support services for Aircel's operations in Tamil Nadu and Chennai circles. The new centre will service Aircel's base of prepaid and post-paid cellular subscribers in the Tamil Nadu circle. Located at Kurumbapet, the facility with a capacity of more than 700 seats will have an initial employee headcount of 1,600.

### **Neuland eyes 20% revenues from Japan**

NEULAND Pharmaceuticals expects the Japanese market to contribute about 20% to its revenues in three years on the back of its recently formed JV with Japan's Cato Research. The JV Cato Research Neuland India Limited will work with healthcare companies for producing quality drugs using cost effective resources located in India. While Cato will share technology know-how, the Hyderabad-based company will be involved in administration and operation.

### **7Seas Tech in pact with UK firm**

GAMING solutions provider 7Seas Technologies has tied up with London-based Mobile Entertainment Distribution (MED) Ltd for distribution of its 3D mobile games in Europe. MED's network of more than 100 channels would offer seven games including 3D puzzle games such as Sudoku and other racing, action and adventure games developed by the Hyderabad-based company in the European market. All the games are multi-lingual and available in English, French, Dutch, Spanish and German.

### **Call Genie, TCS tie up**

CALL Genie Inc and Tata Consultancy Services (TCS) have announced a new multi-year contract regarding a major Southeast Asian telecommunications company, for the use of Call Genie's CG InteractAgent and CG OpenAgent Search software. According to the agreement, the name of the telecommunications company will not be immediately disclosed. Call Genie will provide software to allow operators to effectively search and access directory listing information for over 35 million subscriber lines.

**Cisco, SIDBI tie up to nurture innovation in small units**

CISCO Systems Inc, the US-based supplier of networking equipment and network management for the Internet, has collaborated with Small Industries Development Bank of India (SIDBI) and Tiruchirappalli Regional Engineering College Science and Technology Entrepreneurs Park (TREC-STEP) to nurture innovative thinking in small enterprises engaged in the Indian Information and Communication Technology (ICT) sector Globally, this is the first such initiative from Cisco and could be replicated in other developing countries

**TVS Motor, IndusInd Bank in pact**

TVS Motor Company has entered in to an arrangement with IndusInd Bank through which the company's dealers could avail themselves of structured inventory financing from the bank. The deal is also consistent with the banks desire to provide funding right down the supply chain. This tie up would open up new avenues including consumer finance arrangement for two wheelers.

**Indian Maritime University ties up with global schools, IIMs for courses**

THE newly formed Indian Maritime University (IMU) has tied up with five international institutions and with the Indian Institute of Management (IIMs) in Ahmedabad and Bangalore to offer various maritime-related courses. IMU has tied up with Dalian Maritime University (for MBA in port management), with Shanghai Maritime University and Antwerp University (for MBA in international transportation and logistics management), with University of Malta (for degree in maritime law) and with Delft University, Netherlands, (for degree course in dredging)