



**MARKET MOVEMENT**

Major Indices	June 06, 2008	June 13, 2008	% Change	Change
BSE Sensex	15,572.18	15,189.62	(2.46)	
NSE Nifty	4,627.80	4,517.10	(2.39)	

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

- **Cabinet approves MoU between India and Canada**
- **Excise exemption norms relaxed**
- **Cabinet okays amendments to taxation pact with Syria**
- **Nutrient-based fertiliser subsidy scheme cleared**

**Cabinet approves MoU between India and Canada**

THE Cabinet gave its approval to the Memorandum of Understanding (MoU) signed between Ministry of New and Renewable Energy, India and National Institute of Renewable Energy, University of Saskatchewan, Canada, in the field of scientific and technological cooperation. The MoU aims to strengthen cooperation in research, design and development of new and renewable energy technologies.

**Excise exemption norms relaxed**

THE Ministry of Finance (MoF) has relaxed the area-based excise duty exemption norms, entitling companies to seek higher refunds based on their value addition. Manufacturing units with 15% value addition are now eligible to seek special rate of refunds. Prior to the amendment, the limit was set at 25%. The amendments are applicable to units located in Jammu and Kashmir, North-East and Kutch district of Gujarat with effect from April 1, 2008.

**Cabinet okays amendments to taxation pact with Syria**

THE Cabinet gave its nod to the proposed amendments to the India-Syria Double Taxation Avoidance Agreement (DTAA). The existing DTAA is in force from 1985. Indian tax authorities have been looking to revise a number of DTAAAs that were entered into by India in the eighties. There has been a substantial expansion of global trade in the nineties, requiring a revision to the earlier DTAAAs.

**Nutrient-based fertiliser subsidy scheme cleared**

THE Cabinet Committee on Economic Affairs (CCEA) has given approval for a 'nutrient-based' subsidy-cum-pricing policy. Farmers may see prices of complex fertilisers coming down by an average of 17.5%. Currently, subsidies on fertilisers are entirely 'product-based'. They are available only for specific products such as urea, Di-Ammonium Phosphate (DAP), Muriate of Potash (MoP) and Single Super Phosphate (SSP). Others fertilisers receive no subsidy or have prices that are fixed with no regard to their nutrient content.

## INDUSTRY WATCH

- **Print advertising grows 5% in Q1**
- **Direct selling industry hopes to touch Rs 62 billion turnover in 5 years**
- **Western Europe next growth target for IT majors**
- **Indian leather industry carves global footprints**
- **Indian PC market grew by 10% in January-March, 2008**

### **Print advertising grows 5% in Q1**

**PRINT** advertising volumes grew by 5% during the Q1 of 2008 as against the same period in 2007. Newspapers accounted for 95% share of the total print advertising pie in the Q1. Social advertisements lead with 9% share of the total advertisements, followed by educational institutions with 7% share. The advertisement volumes are based on column centimetre. Bharat Sanchar Nigam Limited (BSNL) topped the advertisers list in print during the period. During the quarter, the advertisement volume of radio channel promotions in print was double the advertisement volume recorded in the Q1 of last year. TV channel promotion grew by 43% during the same period. Sales promotional advertisements accounted for 15% of the total print advertisements.

### **Direct selling industry hopes to touch Rs 62 billion turnover in 5 years**

**THE Indian Direct Selling Association (IDSA) expects the industry turnover to double in the next five years to touch Rs 62 billion.** India, with its unique strength of trained and enterprising manpower, offers enormous space for the growth of direct selling, which has been proved time and again by the consistent growth in the industry. There are over 1.4 million people engaged in the business of direct selling, and categories of products spanning from cosmetics and skincare to education and fabrics. Most companies are sourcing products from within the country and some neighbouring countries are also being served from here.

### **Western Europe next growth target for IT majors**

**WESTERN Europe is expected to become the next frontier for growth of top India-based offshore providers Satyam, Wipro, Infosys, TCS, Cognizant, and HCL Technologies,** who have cornered 1.9% of the Western European Information Technology (IT) services market in 2007 compared to 1.5% in 2006. TCS, Wipro and Infosys now occupy market share positions within the top 50 of Western European service leaders. Since 2001, each of the India-based service providers has made strong advances in the worldwide, US and more recently, Western European market share rankings. The India-based providers in general have not penetrated the Western European IT services market to the extent they have in the US market, but all indications are that this is the next target growth area for offshore services.

### **Indian leather industry carves global footprints**

**INDIAN leather industry is already becoming an alternative for buyers worldwide, especially the footwear arm.** This trend is likely to help India wear down China's dominance in the low-cost sector, as it tries to overcome the rising production costs' problem. India accounts for 2.65% of the world trade in leather and leather goods. But with the Government setting an export target of US\$ 7 billion for the year 2010–11, the country is all set to emerge as a major player in the world. Increased exports and capacity is likely to benefit both organised and unorganised sectors of the leather industry.

### **Indian PC market grew by 10% in January-March, 2008**

THE overall Personal Computers (PC) market in India grew by over 10%, with PCs sold in the country in the January-March, 2008 period crossing the 1,000 figure. In January-March quarter, 2.1 million PC units were exported, against 1.9 million units in the corresponding period last year. Total exports in FY 2008 soared beyond the 8.25-million mark, recording an annual growth of 22.3%. Shipments in FY 2007 were at 6.75 million. Further, the domestic PC market across India indicated 5.55 million shipments of commercial PCs as against 2.71 consumer PC shipments during the year.

## **CORPORATE HIGHLIGHTS**

- **Container Corporation FY-08 net up 7% at Rs 7.52 billion**
- **Learning business takes NIIT net up 47%**
- **KPIT Cummins revenue rises 42%**
- **PNB signs pact to fund infrastructure projects**
- **ABG Q4 net at Rs 460 million**
- **HT Media, German media group tie-up**
- **Cognizant buys US Company Strategic Vision**
- **Zydus Cadila buys 70% in S. Africa's Simayla Pharmaceuticals**
- **3i Infotech acquires 51% stake in Fineng Solutions**
- **JSW Steel posts 19% growth in production**

### **Container Corporation FY-08 net up 7% at Rs 7.52 billion**

CONTAINER Corporation of India Ltd announced a net profit of Rs 7.52 billion for the financial year ended March 31, 2008, a 6.88% growth over the year-ago period. The firm had a net profit of Rs 7.04 billion in FY'07. The total income rose to Rs 35.12 billion for the year ended FY-08, from Rs 31.42 billion in the year-ago period.

### **Learning business takes NIIT net up 47%**

NIIT Ltd posted a 47% jump in its net profit for the fourth quarter ended March 2008 at Rs 252 million, led by healthy growth at its individual learning solutions business. NIIT Ltd and its subsidiaries reported global system wide revenue of Rs 3.82 billion, representing a growth of 14% year-on-year (y-o-y); while its Q4 net revenue stood at Rs 2.72 billion.

### **KPIT Cummins revenue rises 42%**

KPIT Cummins Infosystems has recorded total revenues of \$145.24 million for FY08, a growth of 41.67% over the previous year. For the quarter ended March 31, 2008, it has recorded revenue of \$41.16 million, reflecting a y-o-y growth of 42.87% and a sequential growth of 10.91%. As a proportion of total revenues, offshore revenues increased to 52.77% during the year, as compared to 48.75% in the previous year.

### **PNB signs pact to fund infrastructure projects**

PUNJAB National Bank (PNB) entered into a MoU with ILFS Cluster Development Initiative Ltd (ILFS-CDI) to help finance a variety of industrial infrastructure projects and Small and Medium Enterprise (SME) units in identified clusters. Under the MoU, ILFS CDI will be responsible for sourcing of the projects, project structuring, project development, engineering and procurement, project management and project monitoring. PNB will finance the projects.

### **ABG Q4 net at Rs 460 million**

ABG Shipyard has posted a net profit of Rs. 460 million for the quarter ended March 31, 2008, against Rs 329.8 million in the year-ago period. The company's total income for the quarter was Rs 2.79 billion (Rs 1.96 billion). For the whole of the year, the company's net profit stood at Rs 1.61 billion and income at Rs 9.74 billion.

### **HT Media, German media group tie-up**

HT Media has signed a Joint Venture (JV) with German media group Hubert Burda, under which it will set up a printing facility near its own Greater Noida facility. Hubert Burda has interests in publishing, radio, event management and the Internet. HT will leverage the latter's expertise in printing and publishing and India's competitive advantage to tap growing media platforms in India and Asia.

### **Cognizant buys US Company Strategic Vision**

COGNIZANT Technology Solutions said that it has acquired Strategic Vision Consulting, Inc (SVC), a management and technology consulting firm with over 60 employees serving the media and entertainment industry. This is a strategic investment that Cognizant expect would generate down-stream revenue.

### **Zydus Cadila buys 70% in S. Africa's Simayla Pharmaceuticals**

CADILA Healthcare Ltd (Zydus Cadila) announced acquiring a 70% stake in Simayla Pharmaceuticals of South Africa, through its wholly owned subsidiary Zydus Healthcare SA Pty Ltd. As per the agreement reached between the two companies, the remaining stake will be held by the promoter of the company, who will continue to head the company's operations. The acquisition of Simayla, one of the fastest growing generic companies in South Africa, opens up opportunities for the group in a market that is estimated to touch \$4.62 billion at consumer prices over the next three years.

### **3i Infotech acquires 51% stake in Fineng Solutions**

3I Infotech bought 51% stake in the Mumbai-based Fineng Solutions (FinEng) with a commitment to acquire remaining stake in two tranches over a period of time. This is the 36th acquisition of 3i Infotech. FinEng is engaged in creating and selling software products and developing software solutions. It caters to the financial sector, including mutual funds, wealth management and credit risk space.

### **JSW Steel posts 19% growth in production**

JSW Steel reported a 19% growth in crude steel production at 347,000 tons in May 2008 as compared to the corresponding period last year. The company said it registered 9% growth in production of rolled flat products and 22% rise in rolled long products. While production of flat rolled products such as HR coils and plates touched 255,000 tons that of long rolled products stood at 32,000 tons.