



**MARKET MOVEMENT**

Major Indices	January 16, 2009	January 23, 2009	% Change	Change
BSE Sensex	9,323.59	8,674.35	(6.96)	
NSE Nifty	2,828.45	2,678.55	(5.29)	

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

- State clears power projects worth Rs 161.40 billion
- 8 new SEZ proposals cleared
- New Guidelines issued on ASU medicines
- Promoters must disclose pledged shares
- SEBI makes it easier for FIIs committing 5% of corpus
- India, Jordan signs BIPPA

**State clears power projects worth Rs 161.40 billion**

THE State Level Single Window Clearance Authority (SLSWCA) approved 2 thermal power projects with combined investment of Rs 161.40 billion. This includes 1680 Mega Watt (MW) thermal power project proposed by L & T with an investment of Rs 102 billion near Dhamra in Bhadrakh district and 1000 MW thermal power plant proposed by Jindal Steel and Power Ltd (JSPL) at Binda in the Dhenkanal district with an investment of Rs 59.40 billion.

**8 new SEZ proposals cleared**

THE Board of Approval for Special Economic Zones (SEZ's) has approved 8 fresh proposals for establishing SEZs across the country. The board gave formal approvals to three IT/ITES SEZs, out of which two would be located in Tamil Nadu and one in Maharashtra. A port-based SEZ, including port development, has been approved for Karaikal Port Pvt Ltd in Karaikal district, Puducherry. The formal approvals for SEZs have crossed 550 out of which 278 SEZs have already been notified.

**New Guidelines issued on ASU medicines**

THE Ministry of Health and Family Welfare has issued guidelines on pre-clinical and clinical studies for the Ayurveda, Siddha and Unani (ASU) medicines through a notification of draft rules adding new rule in the Drugs and Cosmetics Act, 1945. The Government through the guidelines has suggested extensive safety evaluation procedures for approval of ASU medicines including sub-chronic toxicity tests, genotoxicity studies and clinical trials. The purpose of the guidelines are the developed methodologies for records and evaluation methods to facilitate the development of regulation and registration in ASU and other traditional medicines in a phased manner and also to facilitate to promote health understanding of these drugs.

### **Promoters must disclose pledged shares**

**SECURITIES and Exchange Board of India (SEBI) has made it mandatory for promoters to disclose details of shares pledged by them in their listed entities.** It has mandated two kinds of disclosures: event-based disclosures, which must be made as and when the shares are pledged; and periodic disclosures, which must be made when companies report their quarterly statements to the stock exchanges. If a promoter raises his shareholding to 5 or 10%, he currently has to disclose his aggregate shareholding under the takeover code.

### **SEBI makes it easier for FIIs committing 5% of corpus**

**SEBI makes it easier for Foreign Institutional Investors (FIIs) committing 5% of corpus;** foreign funds planning to enter the Indian stock market will get more time to comply with regulations if they commit to invest at least 5% of their corpus in local stocks. The move is aimed at giving greater flexibility to new funds and encouraging more portfolio investment.

### **India, Jordan signs BIPPA**

**INDIA and Jordan have signed a Bilateral Investment Promotion and Protection Agreement (BIPPA).** As per the agreement, both the countries will accord national treatment and most favoured nation treatment to investments from each other's territory, both the countries will treat each other's investments on par with the treatment given to investments from domestic investors or any other country. The BIPPA seeks to promote and protect investments from either country in the territory of the other country with the objective of increasing bilateral investment flows

## **INDUSTRY WATCH**

- **Investment in textile sector to touch Rs 1500 billion by 2012**
- **Telecom industry adds 113.26 million new customers in 2008**
- **Indian healthcare to be worth US\$ 10.3 billion by 2010**
- **India will be second in growth race in 2009**
- **Infrastructure sector Optimistic in 2009**

### **Investment in textile sector to touch Rs 1500 billion by 2012**

**INVESTMENT in textile sector is likely to cross Rs 1500 billion by 2012** and generate about 17.37 million jobs. The sector between 2004 and 2008 has seen a surge in investment at Rs 1,085.31 billion which is expected to touch Rs 1,506 billion by 2012. The current year has witnessed a sharp improvement in Indian merchandise exports and it grew much faster than expected.

### **Telecom industry adds 113.26 million new customers in 2008**

**THE country added 113.26 million new customers in the telecom industry in 2008, the largest globally.** Off these, 10.66 million users were added in December. To put this growth in perspective, the country's cellular base witnessed close to a 50% growth in 2008 where an average 9.5 million new customers were added every month. The country had 346.89 million mobile phone users as of December 2008-end compared to 233 million in the corresponding period a year ago. The total number of telephone connections (mobile and fixed) has touched 385 million as of December-end, taking the telecom penetration to over 33%.

### **Indian healthcare to be worth US\$ 10.3 billion by 2010**

**INDIAN healthcare sector to grow to US\$ 10.3 billion by 2010,** the growth will be driven by a number of factors like rising life expectancy, rising household income, increasing penetration of

health insurance, Government action and rising incidence of lifestyle-related diseases. This report is part of a series based on the results of monthly surveys for the Boston Analytics Consumer Sentiment Index (BACSI). It focuses on India's healthcare sector and captures consumer responses to questions in lifestyles and attitudes towards healthcare.

### **India will be second in growth race in 2009**

**INDIA will be the second fastest growing economy in the world after China in 2009.** India's economy will grow 5.8% in FY 2010 due to fall in external demand and a slowdown in investments. The US, EU and Japan are likely to experience a significant contraction in economic activity in 2009 and possibly in 2010.

### **Infrastructure sector Optimistic in 2009**

**INFRASTRUCTURE sector can foresee optimism in 2009 as there are signs of the Government trying to revive and focus on bringing more infrastructure projects into the market unlike 2008,** the opportunities for growth in the infrastructure sector continue to be as promising as ever although it is heavily dependent on capital flows and it is likely that with increasing focus on project execution, Indian companies will start capitalising on the opportunities.

## **CORPORATE HIGHLIGHTS**

- **Trivitron ties up with Vision Engineering**
- **NetApp-TCS centre in Chennai**
- **Petronet ties up with BP**
- **UBS inks pact with AIG to buy commodity index biz**
- **M&M enters retailing with Mom & Me stores**
- **Jet, JetLite ink code-sharing pact**
- **Royal Orchid ties up with Vaswani group to launch service apartment**
- **Cluster Pulse signs MoUs with China, Canada**
- **TCS inks deal with Ducati**
- **L&T signs pact with Westinghouse of US**
- **Tata Communications picks up 30% stake in Neotel**

### **Trivitron ties up with Vision Engineering**

**TRIVITRON has formed a 51:49 Joint Venture (JV) with the Pune-based Vision Engineering Pvt Ltd, an x-ray machine manufacturing company,** the company would be spending Rs 100 million for modernising and expanding the two manufacturing facilities of Vision Engineering located at Tathawade and Pimpri in Pune. The medical and industrial x-ray machines manufactured from these facilities, which have been awarded CE certification, would be marketed under the brand name of Trivitron Pride in the domestic, Middle East, Africa, South and South-East Asia markets.

### **NetApp TCS centre in Chennai**

**NETAPP, a US\$ 3.3 billion US-based company, and Tata Consultancy Services (TCS) have announced a global alliance with the launch of a new NetApp-TCS centre of excellence lab in Chennai.** It is the first tie-up for NetApp with an Indian software service provider. While NetApp is a product company, TCS is engaged in system integration. TCS will train its employees on NetApp products and these employees will be deployed at client's onsite locations in US, UK, Singapore and Australia.

### **Petronet ties up with BP**

PETRONET Liquefied Natural Gas (LNG) has tied up with global oil and gas major BP Plc's trading arm to import the liquid fuel at its Dahej terminal this year. Petronet in November signed a short-term contract to import LNG for meeting the fuel needs of Dabhol power plant in Maharashtra. The company had last year imported LNG for the 2,150 Mw power plants from RasGas of Qatar. The deal for 1.25 million tonnes of LNG expired in December. BP may supply LNG mainly from Damietta LNG project in Egypt, where it has a long-term LNG purchase contract.

### **UBS inks pact with AIG to buy commodity index biz**

UBS Investment Bank has entered into an agreement with crises-ridden insurance major American International Group to acquire its commodity index business for US\$ 150 million. The Swiss bank said in a statement that it has entered into a binding agreement to purchase the commodity index business of AIG Financial Products Corporation, including AIG's rights to the DJ-AIG Commodity Index. The transaction is expected to close by May 2009.

### **M&M enters retailing with Mom & Me stores**

MAHINDRA & Mahindra (M&M) has made a quiet foray into the retail sector with the soft launch of its specialty format Mom & Me to sell infantcare and maternity products. The company has launched two outlets in Ludhiana and Ahmedabad. The company has invested close to Rs 1 billion in the venture. In this segment, Mahindra is likely to have little competition with the only other major player being British brand Mothercare, which entered India in partnership with Shoppers Stop three years ago.

### **Jet, JetLite ink code sharing pact**

JET Airways has entered into a code-sharing agreement with its all-economy subsidiary JetLite that will enable it to sell the latter's domestic tickets at foreign locations. The code-sharing will be implemented in two phases and JetLite's domestic network will be available for sale under the Jet Airways' code (9W) for tickets purchased at all international points across the globe. With the code-share agreement between Jet Airways and JetLite, passengers will enjoy unbeatable connectivity between India and several international destinations, besides lower fares.

### **Royal Orchid ties up with Vaswani group to launch service apartment**

ROYAL Orchid Hotels Ltd has tied up with real estate developer Vaswani group to launch Royal Orchid Suites at Whitefield, the hospitality chain's second service apartment property in India. The 88-key property has been developed at Rs 500 million, and Royal Orchid Hotels will be managing and operating it. The tariff would be Rs 2,990 a night for studio apartments, and Rs 3,990 for single bedroom units.

### **Cluster Pulse signs MoUs with China, Canada**

CLUSTER Pulse, a group company of Ahmedabad-based Global Network, an international trade consulting firm, has signed Memorandums of Understanding (MoUs) with countries like China, Uganda, Ghana and Canada. As per the agreement, Cluster Pulse will assist Small and Medium Enterprises (SMEs) in these countries to develop fan, ICT, telecom and agricultural clusters, respectively. Cluster Pulse is also part of the US\$ 120 million worth World Bank led multi-agency project of financing and developing SMEs in India.

### **TCS inks deal with Ducati**

**TATA Consultancy Services (TCS) has partnered with KPMG Advisory Italy for a multi-million dollar contract from Ducati Motor Holding** to deliver technology-based services for several years that would help improve the Italian bike maker's customer responsiveness and business efficiency. To begin with, the Indian software giant would provide enterprise resource planning for Ducati and its multiple subsidiaries in Europe.

### **L&T signs pact with Westinghouse of US**

**LARSEN & Toubro (L&T) has signed a MoU with US-based Westinghouse Electric Company (WEC) to offer pressurised water nuclear reactors with modular construction technology in India.** Of the 450 reactors operational worldwide, Toshiba-owned WEC has a market share of 40%, while in the US it has 60%. The deal will enable to utilise indigenous capabilities of both the companies for the turnkey construction of nuclear power plants, including supply of reactor equipment and systems, valves, electrical and instrumentations products and fabrication of structural, piping and equipment modules for the Westinghouse AP 1000 plants

### **Tata Communications picks up 30% stake in Neotel**

**TATA Communications has bought the 30% stake in Neotel.** With this, Tata Communications in association with Tata Africa Holdings became the largest stakeholder with 56% stake. This reaffirms Tata Communications commitment to its expansion and investment plans in the emerging regions of Asia, Africa and the Middle East.