



**MARKET MOVEMENT**

| Major Indices | April 04, 2008 | April 11, 2008 | % Change | Change  |
|---------------|----------------|----------------|----------|---|
| BSE Sensex    | 15,343.12      | 15,807.64      | 3.03     |  |
| NSE Nifty     | 4,647.00       | 4,777.80       | 2.81     |  |

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

- **Government gives nod to 20 FDI proposals worth US\$ 490.50 million**
- **Ministry of Finance approves Rs 500 billion plan for power transmission reforms**
- **RBI relaxes eligibility criteria for DRI scheme**
- **SEBI modifies Clause 49 of listing agreement**
- **Supreme Court clears 27% OBC quota in Government Institutes**
- **CCEA approves setting up of new Mini Tool Rooms under PPP Model**

**Government gives nod to 20 FDI proposals worth \$ 490.50 million**

THE Government has cleared 20 Foreign Direct Investment (FDI) proposals that will bring in Rs 19.62 billion, including Rs 9.24 billion by UTV Software Communications. The proposals, approved by the Ministry of Finance (MoF) based on the recommendation of Foreign Investment Promotion Board (FIPB), also included the offer from cement manufacturer Lafarge India for merger of Lafarge India Holding Pvt Ltd with Lafarge India Pvt Ltd.

**Ministry of Finance approves Rs 500 billion plan for power transmission reforms**

THE MoF has cleared a restructured Rs 500 billion Accelerated Power Development and Reforms Programme (APDRP), which would soon be sent to the Cabinet for approval. The scheme envisages to bring the Aggregate Technical and Commercial (AT&C) losses to less than 15% by the end of the 11th Five Year Plan (2007-2012) in the urban and high population density areas.

**RBI relaxes eligibility criteria for DRI scheme**

THE Reserve Bank of India (RBI) eased the eligibility criteria for extending concessional loans for productive purposes. As per the RBI notification, people with annual income of Rs 18,000 in rural areas and Rs 24,000 in urban areas can avail of such loans under the scheme called Differential Interest Rate. Earlier, only those with annual income of Rs 6,400 in rural areas and Rs 7,200 in urban regions could get these loans.

**SEBI modifies Clause 49 of listing agreement**

THE Securities Exchange Board of India (SEBI) made some modifications to the Clause 49 of the Listing Agreement. SEBI has stated that at least half of the board of directors of a listed company should consist of independent directors if the non-executive chairman of the company is related to the promoters or persons occupying management position.

### **Supreme Court clears 27% OBC quota in Government Institutes**

THE Supreme Court cleared the decks for implementation of 27% quota for “socially and educationally backward classes” in centrally run institutions of higher education like Indian Institute of Managements (IIMs), Indian Institute of Technology (IITs) and All India Institute of Medical Sciences (AIIMS). It said that the creamy layer should be excluded in the admissions. Unaided private institutions and those run by minorities are not included in the purview of this law.

### **CCEA approves setting up of new Mini Tool Rooms under PPP Model**

THE Cabinet Committee on Economic Affairs (CCEA) gave its approval to a proposal from Ministry of Micro, Small and Medium Enterprise (MMSME) to set up Mini Tool rooms in the country under Public Private Partnership (PPP) Mode, in cooperation with the State Governments/Industries/Associations/Companies/Non Government Organisations (NGOs) /Individuals. The proposal is one of the recommendations of National Manufacturing Competitiveness Council set up by Government of India (GoI) with a view to improve the competitiveness of Indian manufacturing Industries, particularly the Micro, Small and Medium Enterprises (MSME).

## **INDUSTRY WATCH**

- **Household segment pushes PC sales up 26% in Q3**
- **Cement firms add 17 mt capacity in fiscal 2008**
- **Telecom subscriber base up 9.74% sequentially in October-December, 2007**
- **Indian executives get highest hike in Asia**
- **India server market factory revenue touches US\$ 727 million**
- **Microwave sales to hot up by 39%**

### **Household segment pushes PC sales up 26% in Q3**

THE total Personal Computer (PC) sales (desktops and notebooks combined) surged 26% year-on-year (y-o-y), to touch 1.75 million units in the third quarter ended December 2007, led by buoyancy in household consumption and a whopping 158% rise in laptop sales. The third quarter was driven by increased consumption in the household segment while industry verticals and corporate sectors such as telecom, banking and financial services, manufacturing, e-governance and IT-enabled services, experienced steady growth. The growth in these verticals is expected to continue in the fourth quarter as well.

### **Cement firms add 17 mt capacity in fiscal 2008**

CEMENT companies have added an additional capacity of 17 million tonnes (mt) in fiscal 2008, as against 6 mt the previous year. In April 2007, the industry announced a capacity addition of 100 mt over the next three years. Though the projects were announced in FY08 it will take at least 3-4 years for the companies to complete the projects. Capacity addition could be marginally higher if one takes into account the many capacity expansions by Small and Medium-sized Enterprises (SMEs). Production for the year ended March 31, 2008 has increased 7.09% to 166 mt.

### **Telecom subscriber base up 9.74% sequentially in October-December, 2007**

THE total subscriber base landline and wireless services surged 9.74% sequentially during the quarter ended December 2007 to reach 272.87 million, according to the Telecom Regulatory

**Authority of India (TRAI).** This number, according to TRAI's quarterly indicators of Indian telecom services, was against 248.65 million recorded for the preceding quarter ended September 2007. The subscriber base for mobile services increased to 233.62 million in the last quarter from 209.07 million in the preceding quarter. The wireless or mobile market grew 11.74% adding 24.54 million subscribers during the quarter.

### **Indian executives get highest hike in Asia**

**INDIA Inc has topped among its Asian peers on the front of monetary measures taken for retaining the right talent while doling out highest salary hikes to its finance executives across the region.** According to the CFO Asia, magazine's latest compensation survey, Chief Financial Officers (CFOs) as well as the second-tier finance executives in the country got the highest pay hikes in Asia in 2007, while beating out those in places such as Singapore, Hong Kong and China. While CFOs in India got a pay hike of 25% last year, that for financial controllers, treasurers and other second-tier finance executives rose by 28%. In comparison, China recorded a 14% hike, Hong Kong 11%, Indonesia 14%, Malaysia 19%, Singapore 10% and an Asian average of 16% for CFOs.

### **India server market factory revenue touches \$727 million**

**THE India server market factory revenue rose 24% in 2007 to touch \$727 million, while shipments grew 19% to 1,35,615 units during the same period.** The IDC Asia Pacific Quarterly Enterprise Server Tracker finds that the overall India server market has witnessed a healthy growth as customers continued to refresh and expand their Information Technology (IT) infrastructure. During calendar year 2007, factory revenues of the India x86 Server market grew 24% over 2006 to touch \$414 million, while unit shipments grew 21% to 1,26,940 units. HP emerged market leader in the India x86 Server market with 33% share during 2007 both in terms of factory revenue as well as unit shipments.

### **Microwave sales to hot up by 39%**

**GROWING disposable income and availability of higher category products at an affordable price is expected to bring about a robust 39% growth in microwave sales at 12,50,000 units in 2008** as against 9,00,000 units in 2007 with the high technology convection category expected to witness the highest growth of 49%. According to industry estimates, market share of the convection category is estimated to go up to 31% at 3,87,500 units in 2008 as against 2,61,000 units in 2007. The higher growth of convection category vis-a-vis the industry is linked with the growing consumer awareness on the microwave oven as a cooking device. Consumers are now experimenting with dishes that involve grilling and convection. As a result, the convection category of microwaves is increasingly finding favour with more and more Indian consumers.

## **CORPORATE HIGHLIGHTS**

- **NTPC net profit up 4% at Rs 71.29 billion**
- **Mercedes-Benz India Q1 sales grow 59%**
- **Satyam BPO secures quality awards**
- **Ranbaxy drug gets Japan's nod**
- **Unity Infraprojects gets Rs 2.22 billion orders**
- **OVL signs Joint Venture agreement with Venezuelan company**
- **RCom launches educational portal**

- **Larsen & Toubro bags four orders worth Rs 16.87 billion**
- **Nitin Fire formally acquires 40% in Dubai Company New Age**
- **Refex Refrigerants net up 144%**
- **Lehman picks up 40% in Peninsula Hyderabad IT Park**
- **Bennett, Coleman picks up 3.3% stake in SKC Retail**
- **Ashok Leyland sales up**
- **CIL net profit rises to Rs 95.76 billion**

#### **NTPC net profit up 4% at Rs 71.29 billion**

**NATIONAL Thermal Power Corporation (NTPC)** has recorded a 3.85% increase in net profit at **Rs 71.29 billion in the financial year ended March 31, 2008**. Sales increased 13.53% to Rs 370.05 billion from Rs 325.92 billion in 2006-07. Higher efficiency and increased power generation resulted in higher sales and profits. The company generated 200.86 billion units of electricity during 2007-08, which is 6.46% higher than its generation in the previous financial year.

#### **Mercedes-Benz India Q1 sales grow 59%**

**MERCEDES-Benz India** said that the company sold 1,094 units in the first quarter of 2008, posting 59% growth in volumes over the same period last year. The company sold 2,491 premium luxury cars in 2007. Backed by an aggressive promotional campaign, the company sold 574 units of the new C-Class, which was launched at the Auto Expo in January, 2008. This is the latest model manufactured in India and has contributed the most to the overall sales volume of the company in the recent months.

#### **Satyam BPO secures quality awards**

**SATYAM Computer Services Ltd** has informed that Satyam BPO, its Business Process Outsourcing (BPO) arm, has won two prestigious Shared Services Excellence awards from the **International Quality and Productivity Council**. The company was honoured in Orlando, Florida during Shared Services Week. Satyam BPO was a winner in the “Best Business Process Outsource Provider” and the first runner-up in the “Best Customer Service Delivery Framework” categories.

#### **Ranbaxy drug gets Japan’s nod**

**RANBAXY Laboratories** has received authorisation from Ministry of Health and Labour Welfare of Japan for marketing the generic version of amlodipine tablets of 2.5mg and 5mg. Amlodipine is the first independent product approval received by company in Japan and also has the distinction of being the first product developed by any foreign generic pharmaceutical company outside Japan and subsequently being granted approval by the Japanese Government.

#### **Unity Infraprojects gets Rs 2.22 billion orders**

**UNITY Infraprojects Ltd** has received two orders totalling **Rs 2.22 billion**. It has secured a contract from Vamona Developers for construction of a mall and hotel multiplex building at Viman Nagar in Pune at an estimated value of Rs 1.34 billion. Unity Infraprojects has also received an order from Kondapur Tower for building five towers at Kondapur in Hyderabad at an estimated amount of Rs 882.6 million.

#### **OVL signs Joint Venture agreement with Venezuelan company**

**ONGC Videsh Ltd (OVL)** has signed a JV agreement with **Petroleos de Venezuela S.A. (PDVSA)** to take 40% participating interest in the San Cristobal oilfield in Venezuela. The Venezuelan

company will retain remaining 60% in the oilfield in Junin, Orinoco Region of Venezuela. OVL's participation in the project includes an investment of \$356 million.

#### **RCom launches educational portal**

**RELIANCE Communications (RCom)** has launched an educational portal called 'Exam Guru' on mobile platform that will provide information on exam results, college admissions, exam schedules, admission deadlines, mock tests and tips for bettering performance. The portal also contains a list of top universities, colleges, secondary education boards and career options. The portal is an interactive voice response-based service that also offers SMS alerts in subscription.

#### **Larsen & Toubro bags four orders worth Rs 16.87 billion**

**LARSEN & Toubro (L&T) Ltd** has bagged four orders totalling Rs 16.87 billion for commissioning of a water supply project, sinter plant, cold roll mill and coal handling plant. The orders were from the Rajasthan Government, Bhushan Steel, Bokaro Steel and the Damodar Valley Corporation (DVC). For 2007-08, L&T is looking at a 35% increase in orders over the previous year level of Rs 400 billion and that till December 31 it was close to Rs 500 billion.

#### **Nitin Fire formally acquires 40% in Dubai Company New Age**

**NITIN Fire Protection Industries Ltd (NFPII)** formally acquired 40% stake in a Dubai based fire protection company **New Age Company LLC**. New Age's fire protection contract business in the infrastructure and housing sector covers all seven emirates and has a market share of 20%. NFPII would pay 15 million dirham (Rs 162.9 million) for the stake and valued the Dubai Company at 37.5 million dirham (Rs 407.3 million).

#### **Refex Refrigerants net up 144%**

**REFEX Refrigerants** registered a 144% increase in net profit at Rs 121.5 million in 2007-08 from Rs 39.1 million in 2006-07. Annual sales stood at Rs 900 million, up over 75%, compared with Rs 510 million last fiscal. The Kaltech Engineering's acquisition has helped strengthen the company's position towards generating sustainable growth and strong and consistent operational results.

#### **Lehman picks up 40% in Peninsula Hyderabad IT Park**

**LEHMAN Brothers** has picked up a 40% stake in the upcoming IT park project of property developer **Peninsula Land (PLL)** in Hyderabad. Lehman is expected to pump nearly Rs 500 million into the project. PLL is expected to hold the remaining 60%. The initial cost of the project, including land, is Rs 1.25 billion and the development cost is nearly Rs 14 billion.

#### **Bennett, Coleman picks up 3.3% stake in SKC Retail**

**BENNETT, Coleman & Co. (BCCL)** has acquired a 3.3% stake in Chennai-based **SKC Retail Ltd** for a consideration of approximately Rs 100 million. SKC Retail operates its business under the brand 'SKC', and has 13 showrooms in four states. The company has spent over Rs 650 million on its expansion in Hyderabad, Bangalore and Pune where it has opened four stores so far. SKC Retail said the deal with BCCL was based on standard investment procedures, but did not rule out expanding it into a full-fledged advertising contract at a later date.

#### **Ashok Leyland sales up**

**ASHOK Leyland** has closed the year ended March 31, 2008, with sales of 83,309 vehicles from 83,094 units in the corresponding period of 2007. Total exports volumes increased 21% to 7,286 vehicles from 6,025 earlier. Sales during March 2008 were 27% higher, at 10,698 vehicles (8,437

earlier). Exports were up 128% at 1,156 vehicles. The total vehicle production for the year was 84,006 compared with 83,558 last fiscal.

**CIL net profit rises to Rs 95.76 billion**

COAL India Ltd (CIL) has registered a gross profit of Rs 95.76 billion for the last financial year ended on 31 March, 2008, up 12.30% compared to Rs 85.22 billion reported in the corresponding period last year. In terms of production the company reported a growth of 5.1% to 379.49 mt against 360.91 mt registered a year ago. The company is targeting a total production of 405 mt for the next fiscal.