



MARKET MOVEMENT

Major Indices	November 07, 2008	November 14, 2008	% Change	Change
BSE Sensex	9,964.29	9,385.42	(5.80)	
NSE Nifty	2,973.00	2,810.35	(5.47)	

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- **TN allows third party sale of private power**
- **Nod for wine, meat processing boards**
- **New guidelines to ensure foreign companies set up manufacturing facilities**
- **Central Government employees entitled to free air travel to N-E states**

TN allows third party sale of private power

THE State Government has taken a decision that Private power producers in Tamil Nadu (TN) can now sell the surplus electricity they generate directly to a consumer, instead of only to the TN Electricity Board. The TN Electricity Regulatory Commission had also framed rules as required under the Act allowing open access. The Government decision is meant to reduce industry's dependence on the State grid as it can now source the surplus electricity from those private generators.

Nod for wine, meat processing boards

THE Centre has cleared the establishment of independent Boards for the wine and meat processing industries. The National Wine Board will be headquartered in Pune and be headed by a member from the industry. Apart from promoting Indian wines, it will set standards for quality, marketing and labels. It will function from the premises of MITCON, and is expected to become operational in a month's time.

New guidelines to ensure foreign companies set up manufacturing facilities

FOREIGN companies will be required to set up manufacturing facilities even as they undertake test-marketing activities. The facilities will have to be built by the Indian subsidiary and not through contract manufacturers. The guidelines are being put together by the Government as it is felt that foreign companies circumvent the bar on Foreign Direct Investment (FDI) in retail trade by using the test-marketing route. Companies getting test-marketing licenses will also have to report the progress of the facility every six months.

Central Government employees entitled to free air travel to N-E states.

THE tourism industry in the North Eastern (N-E) States of India and Darjeeling has received a much needed boost from the special Leave Travel Concession (LTC) package announced for Central Government employees. All categories of Central Government employees are now entitled to free air travel to any place in the North East. According to the Ministry for Development of North Eastern Region (DoNER) the main objective of the initiative is to support the largely

underrated N-E sector, which has huge tourism potential. The region can accommodate 7,000 tourist families or 30,000 individuals.

INDUSTRY WATCH

- **Pharmaceutical majors bank on India, other emerging markets**
- **India has capability of overtaking China in civil aircraft manufacturing**
- **India high on US growth agenda**
- **Indian companies post 225% investment growth amid gloom**
- **India most attractive destination for Japan**

Pharmaceutical majors bank on India, other emerging markets

GLOBAL pharmaceutical companies are banking on growth from emerging countries, including India, to tide over the current economic slowdown, Survey findings indicate that in many cases, drug companies are counting on emerging markets to extend the life of mature products as well as to develop new markets for their ethical products. The emergence of a middle class with growing disposable incomes in rapidly expanding countries with large populations (such as Brazil, Russia, India, China, Korea, Mexico) represents millions of new customers who will demand improved healthcare.

India has capability of overtaking China in civil aircraft manufacturing

INDIA has the capability of overtaking China in the civil aircraft production if it moves fast enough. India enjoys several advantages over China which can be leveraged to its advantage in civil aircraft manufacturing. The Indian scenario is different from China, it not only has a different political system in India but more importantly a strong entrepreneurship coming up with people who can decide on the spot which in turn will help the companies willing to invest and grow into areas where they have not been before.

India high on US growth agenda

THE US Assistant Secretary for Trade Promotion said the new US administration led by President-elect will continue to focus on bilateral trade and strengthening ties with India. Observing that India was among top 20 of the US trading nations, last year the bilateral trade stood at US\$ 42 billion and is growing annually at 20%. India, China and Middle East are key pockets for growth and would like India to be among the top ten trading partner.

Indian companies post 225% investment growth amid gloom

INDIAN companies has posted an increase of a staggering 225% as compared to investments announced in the same period last year, 7,068 new projects worth over Rs. 5000 billion were announced in the first six months of financial year 2008-09, Of the 7,068 new projects, 240 were of mega size, each with an outlay of over Rs. 5 billion.

India most attractive destination for Japan

ACCORDING to the Japan External Trade Organization's (JETRO) annual survey of Japanese firms operating in Association of Southeast Asian Nations (ASEAN) and South Asia, **India is the most attractive destination in the medium term.** Indo-Japanese trade too is growing. It almost doubled to US\$ 10 billion in the past three years, and is expected to touch US\$ 20 billion by 2010 mostly Indian iron ore against Japanese machinery. Japan is the sixth largest investor in India and

has invested US\$ 1,506 million in 2007 against US\$ 512 million in the preceding year reflecting a quantum.

CORPORATE HIGHLIGHTS

- **Zamil Steel launches operations in India**
- **eMudhra from 3i Info**
- **Japan's DoCoMo acquires 26% stake in Tata Tele**
- **Mahindra Group, SAP in deal**
- **Bharti Airtel extends deal with Nortel**
- **Cartridge World opens 3 stores**
- **SanDisk partners HCL Infosystems**
- **Bharti Wal-Mart inks pact for skills training centre**
- **Paramount launches Kochi-Pune flight**
- **Chennai port signs pact with Belgian port**
- **Daiichi Sankyo completes Ranbaxy buy**
- **ONGC, UCIL ink agreement**
- **Cadila Healthcare acquires Italian research company Etna Biotech**

Zamil Steel launches operations in India

ZAMIL Steel, part of the Saudi Arabian industrial conglomerate, announced the launch of its first facility in India for the manufacture of Pre-Engineered Buildings (PEBs). Located at Ranjagaon, the new plant has been set up with an investment of US\$ 32 million, and has an installed capacity to manufacture 30,000 tonnes of pre-engineered buildings annually. The company is also planning to set up a second PEB manufacturing facility in the country by 2010.

eMudhra from 3i Info

MID-SIZE IT services firm 3i Infotech has launched digital signatures that would make electronic transactions more secure for retail customers. Christened eMudhra, the initiative will be made available at a starting price of Rs 99 a year (for one digital signature) through 3i Infotech Consumer Services, a wholly-owned subsidiary of the ICICI Bank-promoted company. 3i-Infotech has bagged the licence for offering digital signatures from the Controller of Certifying Authorities, Department of Information Technology.

Japan's DoCoMo acquires 26% stake in Tata Tele

JAPAN'S largest mobile operator NTT DoCoMo became the latest entrant in the world's fastest growing mobile telephony market when it picked up a 26% stake in the city-based Tata Teleservices (TTSL) for a consideration of US\$ 2.7 billion. This deal would value TTSL, with its customer base of 30 million, at over US\$ 10 billion. DoCoMo will make an open offer to acquire up to 20% of the outstanding equity shares of Tata Teleservices Maharashtra Ltd (TTML), the listed subsidiary of TTSL which has operations in Maharashtra even though it is not required to do so according to SEBI guidelines. TTSL holds 37.65% stake in TTML.

Mahindra Group, SAP in deal

BUSINESS software maker SAP AG said the Mahindra Group has signed an enterprise agreement with SAP for consolidation of systems and transformation across the company. The company and SAP will work together to design and implement a scalable, standardized IT landscape across Mahindra Group that will yield significant benefits due to synergy. Under the agreement, common

processes across the Mahindra Group of companies such as human resource, employee services, administration, finance, procurement and analytics will be standardized on SAP technology platform.

Bharti Airtel extends deal with Nortel

BHARTI Airtel and Nortel announced an enhanced managed services agreement under which Nortel will continue to provide its Contact Centre Technology (CCT) solution. This is a two-year extension to the initial contract announced in March 2006. Nortel's solution features interactive voice and video response capabilities, where customers can complete routine transactions and subscribe to new services through an auto attendant that interacts naturally in English, Hindi and four other regional languages. More than 70% of Bharti Airtel customer requests are handled through this virtual storefront, resulting in greater availability, flexibility and responsiveness to subscribers.

Cartridge World opens 3 stores

CARTRIDGE World, an Australian specialty cartridge retailing chain, has opened three stores in Hyderabad at Ameerpet, Begumpet and Balanagar. The stores will offer services that will include refilling inkjet cartridges and reloading laser cartridges both backed with money back guarantees, along with printer repairs and free customer education on cartridge care. The stores will also stock Original Equipment Manufacturer (OEM) inkjet and laser cartridges, high quality specialty paper, fax supplies other office supplies.

SanDisk partners HCL Infosystems

SANDISK Corporation India announced a partnership with HCL Infosystems, for distribution of SanDisk's mobile phone memory cards in the Indian market. In partnering with HCL, SanDisk will be able to leverage the Indian IT company's network in ICT distribution. The explosive growth of the mobile phone market in India has driven the need for SanDisk to increase its distribution capacity. With this partnership they aim to have a wider reach in one of the largest mobile markets in the world.

Bharti Wal-Mart inks pact for skills training centre

BHARTI Wal-Mart Pvt Ltd, the Joint Venture (JV) between Bharti Enterprises and Wal-Mart Stores Inc for wholesale cash-and-carry, has signed a Memorandum of Understanding (MoU) with the Punjab Government to establish a special skills training centre in Amritsar. This Public-Private Partnership (PPP) has been forged with the aim of bridging the shortage of skilled workers for cash-and-carry and organized retail formats. It will initially offer short-term vocational certification courses that will equip candidates to become floor and sales assistants or supervisors through a special curriculum developed by Wal-Mart, along with Bharti Learning Systems, which will also manage and run the centre.

Paramount launches Kochi-Pune flight

PARAMOUNT Airways started daily flights from Kochi to Pune via Chennai. With the launch of the flight, business executives, traders, entrepreneurs and leisure travellers in Kochi will find the daily flight to Pune convenient and comfortable. The launch of service in the Kochi-Pune sector is part of the company's expansion strategy. This would help our foray into the western region. The company will replicate the success that it had achieved in the southern market. Paramount Airways offering of brand e-jets along with all the trappings of luxurious seat recline, ample leg space and ethnic signature cuisine will ensure that the airline is competitive and attracts discerning passengers.

Chennai port signs pact with Belgian port

THE Chennai Port Trust and the Belgium-based Port of Zeebrugge have signed a MoU for cooperation in various fields of marine transportation, port development and for working together as sister ports. The MoU enlarges the scope of the agreement signed between the two ports in September 2007. Similarly, the Chennai port is also evolving from handling dirty cargoes such as coal and iron ore to clean cargoes such as containers and cars. The Chennai Port Trust is seeking technical support and assistance from Zeebrugge in this regard.

Daiichi Sankyo completes Ranbaxy buy

RANBAXY Laboratories Ltd and Daiichi Sankyo Company Ltd announced the completion of their deal with the latter buying out the remaining equity shares of the Singh family in the Indian company. The Japanese pharmaceutical major has now acquired 63.92 % of the equity share capital of Ranbaxy comprising 268,711,323 shares. The stake sale was structured in phases. Daiichi Sankyo had already acquired over 50%, including 20% through an open offer.

ONGC, UCIL ink agreement

OIL and Natural Gas Corporation Ltd (ONGC) has signed a MoU with Uranium Corporation of India Ltd (UCIL) for joint cooperation in uranium exploration and development. The initiative is based on complementary expertise of the two public enterprises, a statement issued by ONGC said. The cross-fertilisation of ideas and technologies are bound to synergise the new endeavour of uranium prospecting and mining. UCIL is actively exploring possibilities of acquiring properties and exploration licenses in several countries.

Cadila Healthcare acquires Italian research company Etna Biotech

PHARMACEUTICAL major Cadila Healthcare Ltd (Zydus Cadila) has announced the acquisition of Etna Biotech, a wholly owned Italian subsidiary of the Dutch bio-pharmaceutical company, Crucell N.V., for an undisclosed consideration. The deal, which marks Zydus Cadila's first acquisition in the research space, offers the group a research platform for developing new vaccines and technology.