



**MARKET MOVEMENT**

Major Indices	February 20, 2009	February 27, 2009	% Change	Change
BSE Sensex	8,843.21	8,891.61	0.55	
NSE Nifty	2,736.45	2,763.65	0.99	

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

- **CERC unveils new power trading norms**
- **Japan keen to strengthen economic ties with India**
- **Government cuts excise, service tax, to boost economy**
- **Guidelines for preferential share issues relaxed**
- **NACIL, Singapore company venture gets Cabinet nod**
- **DoT gives nod for new Internet protocol**

**CERC unveils new power trading norms**

**THE Central Electricity Regulatory Commission (CERC) has announced new Inter-State Trading Regulation 2009, replacing the current regulation that was introduced in 2004.** The new regulation announced by the apex power regulator is aimed at making the terms and conditions for granting trading licence more stringent, keeping in view the current price of trading in power, liquidity needs of power trading business and to encourage only serious players intending to undertake trading business. Power imported from other countries for resale in the domestic market has also been covered under these regulations. The existing licensees has been given time till March 2010 to re-orient them according to the new provisions.

**Japan keen to strengthen economic ties with India**

**ACCORDING to the 18th International Engineering & Technology Fair organised by Confederation of Indian Industry (CII), Japan is keen to strengthen its economic ties with India.** It is keen to seek investment opportunities in India. India's resilience in withstanding the global economic shock caused by the US financial sector collapse encouraged Japan to rely on its market. A viable investment mechanism that helped in overcoming short-term debacles without disturbing the role of private sector should be evolved. The process of development should not be allowed to be stunted by such short-term hurdles.

**Government cuts excise, service tax, to boost economy**

**THE Ministry of Finance (MoF) has given Rs 300 billion of revenue on an annual basis to slew of indirect tax concessions in order to bolster sagging demand for industrial goods and services.** This revenue foregone has not been factored in the Budget estimates for 2009-10. The States are allowed to borrow more in 2009-10 for investing in infrastructure and help spur employment generation. Accordingly, States would not lose their debt relief facility in 2009-10 even if they were to exceed their fiscal deficit target by upto 0.5% of Gross State Domestic Product (GSDP).

### **Guidelines for preferential share issues relaxed**

THE Securities and Exchange Board of India (SEBI) has relaxed norms for preferential issue of shares to those target companies whose boards have been superseded by Government and which have already been exempted from strict compliance of certain provisions of SEBI's takeover regulations. The current amendment in DIP Guidelines is complementary to the changes in takeover regulations made by the market regulator. The relaxation on preferential issues is among the many amendments made to the disclosure and investor protection guidelines.

### **NACIL, Singapore company venture gets Cabinet nod**

THE Cabinet has approved the National Aviation Company of India Ltd's (NACIL) plans for setting up a Joint Venture (JV) company with Singapore Air Terminal Services (SATS) for undertaking ground and cargo handling at various airports in the country. The 50:50 JV between NACIL and SATS will invest Rs 990 million and Rs 730 million for cargo and ground handling at the Bangalore airport respectively. It will invest Rs 800 million for Hyderabad airport ground handling facilities.

### **DoT gives nod for new Internet protocol**

THE Department of Telecom (DoT) has decided to adopt the next generation protocol for Internet services in the country. Called Internet Protocol version 6 (IPv6), the new standard will offer improved address space, quality of service and data security capabilities. The existing standard, IPv4, is getting choked and is expected to run out of space by 2011 as consumers increasingly use broadband and Net services on mobile devices. IPv6 is expected to remove the limitations pertaining to IP addresses that are prevalent in the current regime.

## **INDUSTRY WATCH**

- **Indian luxury car market outperforms Asian peers**
- **Banking sector, Shows resilience**
- **Nuclear industry can provide clean energy**
- **IT infrastructure offshoring market likely to touch US\$ 5.9 billion in 2009**
- **Rs 3.25 billion package unveiled for leather, textile export sectors**

### **Indian luxury car market outperforms Asian peers**

THE India's luxury car market outperformed other Asian countries in sales last year by rising 40%. India remains a high growth market for luxury carmaker. The market here is high on potential. It will not grow at 40% like it has over the last three years, but expect better growth than that in countries like Malaysia, Singapore, Thailand and Vietnam.

### **Banking sector, shows resilience**

THE Indian banking system has demonstrated much resilience. It had no direct exposures to any global toxic assets and has so far handled the financial crisis relatively better. In the last five years, demand for credit (bank credit in the last five years grew at around 30% annually) has grown in the same proportion as the growth in Indian economy (measured as GDP). However, the RBI's cautious stance helped rein in the otherwise rapid-fire growth witnessed by the sector. The RBI used a variety of instruments such as Market Stabilisation Scheme bonds, Liquid Adjustment Facility, Cash Reserve Ratio and Statutory Liquidity Ratio levers to ensure banks functioned in a well-regulated environment.

### **Nuclear industry can provide clean energy**

**THE nuclear industry can provide clean and reliable energy to the world, it is uniquely positioned to provide something that the world desperately and always needs.** They operate on a global scale with a solid customer base, partnerships and supply relationships. The industry provides stability, support and job growth. Globally, the nuclear industry operates 436 reactors in 30 countries, including 17 in India, and in 2008 these reactors consumed 172 million pounds of uranium while the estimated mined production was only 115 million pounds, which was well below consumption.

### **IT infrastructure offshoring market likely to touch US\$ 5.9 billion in 2009**

**IT infrastructure offshoring market likely to touch US\$ 5.9 billion in 2009.** Remote Infrastructure Management Outsourcing (RIMO) has emerged as the growth engine for many Indian tech firms. The RIMO market is expected to touch US\$ 5.9-billion in 2009 and US\$ 8.6-billion in 2010. Infrastructure services do not fall under the discretionary spend category and the current growth projection is unlikely to be impacted by the economic recession. Remote management of computer infrastructure has given an opportunity to Indian tech firms to compete with established rivals such as IBM and HP-EDS.

### **Rs 3.25 billion package unveiled for leather, textile export sectors**

**A special package of Rs 3.25 billion for the employment-intensive leather and textiles export sector is being unveiled by the UPA Government,** fast settlement of duty credit scrips for duty paid in export production and extension of such scrips for import of even restricted items after payment of duty are the key features of the trade facilitation measures. The procedural simplifications would help prune high transaction costs to trade and industry. The special package for the twin sectors would be given for exports to be undertaken from April 1.

## **CORPORATE HIGHLIGHTS**

- **Tata Motors launches Xenon pick-up**
- **Roche Diagnostics signs pact with Genome Foundation**
- **Reliance Money launches mobile trading platform**
- **Four Soft, Dutch company sign pact**
- **Fastrack extends brand to new youth segments**
- **MRF unveils Wanderer**
- **BSNL launches 3G services in Chennai**
- **Tampico in tie-up with Mala Fruit**
- **KRBL launches organic basmati in Chennai**

### **Tata Motors launches Xenon pick-up**

**TATA Motors launched the lifestyle four-door five-seater pick up Xenon XT.** The vehicle is priced in the range of Rs 0.76 million to Rs 0.86 million. The lifestyle pick up is a segment which is yet to develop in India. It lends itself to all kinds of engagements. They will be launching 11 products in financial year 2008-09. Six have been already launched and five are in the pipeline. The Xenon carries a warranty of two years or 75,000 km and will be retailed through 58 Tata passenger car dealerships across 39 cities. About 6,000 units of Xenon have been sold in Thailand, Algeria, Italy, Poland, Saudi Arabia and South Africa.

### **Roche Diagnostics signs pact with Genome Foundation**

ROCHE Diagnostics India Pvt Ltd has signed a Memorandum of Understanding (MoU) with Genome Foundation for helping in equipping some centres for genetic analysis of common genetic disorders. They are also keen on undertaking certain activities on creating awareness about genetic and other diseases and for biochemical, chromosomal and molecular diagnosis of various diseases with the knowledge, expertise and infrastructure available with both.

### **Reliance Money launches mobile trading platform**

RELIANCE Money has introduced mobile trading in equities and commodities across all GPRS or CDMA enabled mobile platforms independent of operator and the underlying carrier technology. Of the 3 million customers the company services, about 0.5 million have used Internet at one time or the other to access their facilities. They expect more and more customers to use the newly-launched Mobile Trading Portal. Reliance Money customers can now trade in Bombay Stock Exchange, National Stock Exchange, Multi Commodity Exchange, National Commodity and Derivative Exchange of India and National Multi Commodity Exchange through their mobile by downloading a software into their mobile.

### **Four Soft, Dutch company sign pact**

FOUR Soft has signed a contract with the Netherlands-based Noordex BV to deploy its freight forwarding software. The software of the Hyderabad-based company 4S eTrans SME has integrated multi-modal modules bundled in a single application. With the help of this application, the freight forwarders as well as their customers will be able to have end-to-end visibility of their shipments instantaneously. They have till date, successfully executed more than 100 implementations of 4S eTrans SME, at various global locations.

### **Fastrack extends brand to new youth segments**

FASTRACK, has extended itself into newer categories, after sunglasses. The brand will now also retail accessories such as belts, bags, wristbands and wallets for the youth. It will also open exclusive Fastrack stores in the country. The Fastrack accessories are priced between Rs 295 and Rs 1,695. Fastrack will also open own stores to provide a whole new experience to young consumers.

### **MRF unveils Wanderer**

MRF Ltd has launched a new series of tyres under the brand Wanderer. The premium range of SUV tyres, which can be fitted on all versions of Mahindra Scorpio, Boleo, Xylo; and Tata Safari and Sumo, are all-terrain tyre engineered for long-life and high-speed operation. The reinforced steel-belt package under the tread, the multi-layered carcass and the sidewall will make the ride more comfortable. The tyres, which are in 235/70R16, 235/75R15 and 215/75R15 sizes, are currently available in select MRF counters across the country, including the premium MRF Tyres and Service Franchisees.

### **BSNL launches 3G services in Chennai**

BHARAT Sanchar Nigam Ltd (BSNL) launched 3G mobile services from Chennai. The national launch of the third generation mobile service in Chennai enables a range of upgraded services, including rich voice, data and video services, to the subscribers. 3G makes possible video streaming applications such as Live TV, movie downloads, high speed data download on mobile phones with 3G services enabled. Callers can also see each other on their mobile phone screens.

The new service will offer data speed of 2 Mbps against 144 Kbps available now over the GPRS and EDGE enabled mobile networks.

### **Tampico in tie-up with Mala Fruit**

**TAMPICO Beverages Inc announced the entry into the Hyderabad market through an exclusive licensing arrangement with Mala's Fruit Products**, with the latter having a mandate to produce and market the Tampico range. Mala's have been a brand to reckon with in the Indian market. Their technology, reach and operating philosophy have many similarities with our own. The initial phase the company is launching Tampico products in Maharashtra, Gujarat, Andhra Pradesh, Karnataka, Goa and Tamil Nadu. Tampico Beverages markets its juice drinks in over 77 countries.

### **KRBL launches organic basmati in Chennai**

**KRBL Ltd has launched organic basmati rice in the domestic market.** KRBL has introduced organically cultivated basmati rice in Chennai and will in stages make it available in the other markets. The company started test marketing the product over two months ago and has been enthused by the response for the product priced at Rs 149 a kg. Conventionally cultivated basmati rice ranges between Rs 40 and Rs 100 a kg depending on quality measured by grain length, flavour and aroma.