

# NEWS ALERT

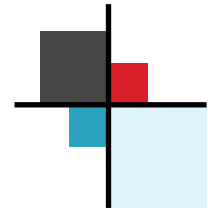
VOLUME IV , ISSUE 28

DECEMBER 7 , 2009

## INDIA STILL BEST BET; M-CAP OF FII INDIA STILL BEST BET; M-CAP OF FII HOLDINGS UP 157%

The wealth of foreign institutional investors (FIIs) in leading Indian companies now stands at more than double the level a year ago owing to the market rally in recent months. This amply vindicated India's image of being a safe and lucrative investment destination amid the global economic crisis.

The market capitalisation of FII stake in 25 major industrial houses rose 156.8% to Rs 2.26 lakh crore as on December 1, from Rs 88,203 crore on December 1 2008. The second quarter sales and net profit growth rates of 25 industrial houses were 1.8% and 6%, respectively. The aggregate net profit to sales ratio of 25 houses increased from 11.05% during July-September 2008 to 11.51% during the same period this year.



## AUTO, OIL SECTORS WORRIED AS CLEAN FUEL DEADLINE LOOMS LARGE

The timing could not have been more paradoxical. As India gears up for the Copenhagen climate summit beginning Monday, its automobile and oil sectors are getting ready to face an explosive situation on the clean fuel deadline that comes into effect from April 1, 2010.

This date will see 14 cities graduate to Bharat Stage IV emission norms (from the present BS III) while the rest of the country transits to BS III from BS II levels. Simply put, it means that cars, utility-vehicles and trucks in the top rung cities will, from April 1, be supplied cleaner BS IV petrol and diesel while other vehicles will get a leg up with BS III fuel.

The only hitch is that there is practically no hope of BS III auto fuel being available across the country because the time is just too short for oil companies to have a supply network in place. This calls for more rail wagons, space at ports, upgrading refineries etc. The deadline, sources say, should ideally be put off to October 1, 2010 except that the Centre will need to seek approval of the Supreme Court.

## NO SHADOW OF SINGUR, TATA MOTORS PUTS SANAND LAND DEALS IN TOP GEAR

After having resolved all compensation issues with its component vendors, Tata Motors has now started signing land deals with them at Sanand in Gujarat for its Rs 1-lakh car, Nano.

According to the package prepared by the company, it is offering to buy land for the vendors at Rs 2.5 lakh per acre with an external development charge of Rs 50,000 per acre on a 20-year lease. Vendors have also been given the option of paying the due amount after a lag of five years. However, the company will offer discounts to vendors who opt to pay upfront or start paying before five years.

### POINTS TO REMEMBER

- COPENHAGEN CLIMATE SUMMIT DEC 7-18 , 2009
- PAN TO BE LINKED WITH UNIQUE IDENTITY NUMBER