

Stocks		
	Close	Wk chg
BSE Sensex	16481.20	↑ 673.56
S&P CNX Nifty	4958.40	↑ 180.60
Nifty Fut (Apr)	4960.55	↑ 188.70
Nifty Fut (June)	4962.80	↑ 206.55
Global Indices		
	Close	Wk chg
Nasdaq	2402.97	↑ 112.73
Dow (DJIA)	12849.36	↑ 523.94
FTSE 100	6056.50	↑ 161.00
Nikkei 225	13476.45	↑ 152.72

Money & Forex		
	Rate/yield	Wk chg
7.49% 2017 g-sec	7.91	↓ 0.03
Inter-bank call	6.09	↑ 0.27
US \$	39.92	↓ 0.04
Euro	63.52	↑ 0.30
Commodities		
	Close	Wk chg
Gold (Rs/10gm)	11895.00	↓ 95.00
Silver (Rs/1 kg)	23945.00	↑ 165.00
Brent crude (\$/bbl)	112.03	↑ 4.12
LME copper (\$/tn)	8610.00	↓ 20.00

Straws in the wind

New insider trading norms

Ficci, the industry body, has urged Sebi to retain the announcement of bonus and rights issue within the ambit of its insider trading policy as stock prices are sensitive to such announcements. Ficci feels the management of a company should be authorised to decide and create window freeze as also decide on the class of persons to whom such window freeze would be applicable so that only the real insiders are restricted from trading. Paragraph 13 of the Sebi proposals says that companies should either designate a single broker through whom all transactions in stock by insiders will be completed. Ficci feels these steps may not help in better reporting or monitoring. In case of big companies, it is not feasible to appoint designated brokers. Sebi plans to amend the insider trading norms.

Sasken share buyback

The board of telecom software maker Sasken Communication Technologies Ltd has approved a share buyback at a maximum of Rs 260 per share. The company will spend a maximum of Rs 40 crore to buy back up to 9.45% of its equity. The company had earlier, reported a 44% rise in consolidated January-March net profit to Rs 14.8 crore, riding on a 16% jump in to Rs 157 crore YoY.

Recently, a leading European software company wanted to send a few Indian engineers to Shanghai. The Chinese government refused visas and asked the software firm to wait till the end of the Olympics. Can business wait? When DNA Money quizzed Indian software companies, they said they didn't face any problem. That is because many Indian software companies have registered operations in China. The pre-condition for issuing business visas entail that the companies be headquartered in China.

Chinese walls

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Bajaj backs steel makers

Here is an ideal consumer. Although high steel prices are eating into profit margins of vehicle makers, Bajaj Auto chairman Rahul Bajaj said he preferred market forces to the government to determine prices of the alloy. "I don't want government intervention even though I (Bajaj Auto) consume steel... I don't want Ram Vilas Paswan or Chidambaram to determine steel prices," Bajaj told reporters on the sidelines of a programme here. Steel prices have risen up to 49% in the last 12 months and have been a major cause for pushing inflation to over 7%. Bajaj, a Rajya Sabha member, admitted that high prices of steel and aluminium have "solidly impacted" the auto industry, including his company - the country's second largest two-wheeler maker.

Mobile airports in N-E

We will soon have mobile airports in India. The Czech government is planning to introduce its latest innovation in the northeastern part of the country. It claims to have expertise in the field and plans to introduce such airports — that can be transported in trucks and set up anywhere in 20 minutes — in Mizoram and Meghalaya. "We are interested in the region because the Czechs are all over India but drew a blank in the northeast," Czech Republic ambassador Hynek Kmonicek said.

ONGC to spend Rs 20K cr

Oil and Natural Gas Corporation (ONGC) will invest Rs 20,000 crore in its different oil and gas recovery improvement programmes in the current financial year. The major chunk of the investments will go into the company's Mumbai High South Redevelopment Phase-II. The company kicked off the redevelopment programme on Saturday. Page 27

Nobody's business



Taking wrong decisions is a part of my career plans. It makes my boss feel secure.

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RIL, Ballard Power in fuel-cell parleys

Officials from Canada firm have made periodic "exploratory" visits to India

Satish John, Mumbai

Reliance Industries and Ballard Power Systems, a Vancouver-headquartered pioneer in fuel cell technology, are in talks for a partnership in India.

The Canadian company has been sniffing around for opportunities and joint venture partners. Officials from Ballard Power have in the recent past made periodic "exploratory" visits to India, sources say.

Emails to Reliance Industries and Ballard Power systems elicited no response. However, sources at Reliance Industries revealed that the Canadian team could

have met senior officials from the Mukesh Ambani firm.

Reliance Industries has recently submitted a Rs 30,000-crore proposal for setting up two manufacturing facilities under the government's scheme to promote the semiconductor technology.

Any Indian company that proposes to invest huge sums into the semiconductor chips industry will attract attention from foreign companies such as Ballard Power. But that doesn't mean anything, the source added.

However, industry circles aver the meetings between the two were not one-off. They had several rounds of discussion, they revealed.

Ballard Power has been one of the earliest entrants in clean fuel technology. It has been in the forefront of technology innovation in fuel cells.

Recently, Ballard Power sold

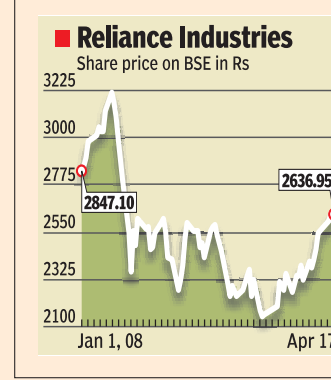


its assets in automobile fuel cell assets to Ford Motor Company and Daimler AG, in a bid to lower its risk profile.

The Canadian company is now concentrating on fuel cell applications which provide clean energy solutions in commercial markets. This is the area that would interest Reliance

Industries.

Ballard Power Systems is considered as a world leader in the design, development, manufacture and sale of zero-emission hydrogen fuel cells. Its mission is to accelerate fuel cell market adoption and, in this connection, has been keen on having tie-ups with leading companies in the



Fab design

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Turn to Page 24

Amtek in talks to forge venture with Sumitomo

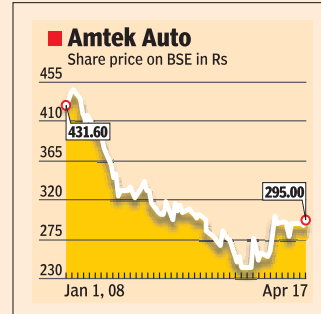
50:50 JV to make precision forgings

Sindhu Bhattacharya, New Delhi

Amtek Group, the forgings, castings and machining major, continues to look for opportunities for inorganic growth.

According to sources, Amtek is talking to Sumitomo Corporation of Japan for a possible 50:50 joint venture in precision forgings. It is also scouting the US market for alliances and JVs in the machining space.

Amtek Auto managing director Arvind Dham declined comment on a possible deal with Sumitomo, terming it "too premature". But sources close to the developments confirmed that talks have been on between the two companies for joining hands.



Synergistic

Amtek is also scouting the US market for alliances and JVs in the machining space

Any JV with Sumitomo may offer cost synergies for Amtek's non-auto ambitions

Amtek is preparing to merge all its listed entities to address transfer pricing concerns

Turn to Page 24

Reddy mix may go down well

Momentum from a good start to results season and global trends may help Dalal St skirt CRR hike

N Sundaresha Subramanian, Mumbai

A new margining system for the institutions, introduction of short selling along with the lending and borrowing mechanism, not to forget the derivatives expiry — there was much lined up for the markets before the Reserve Bank of India (RBI) announced a hike in the cash reserve ratio (CRR), well after the market hours on the last trading day.

The mood, all the same, suggests the Street would take it all in its stride. Raamdeo Agrawal, MD, Motilal Oswal Securities, said, "It is on expected lines. I think the market has already priced in this CRR hike."

The RBI on Thursday said it will raise CRR — the proportion of deposits to be left by banks with the central bank — by 50 basis points to 8% in two tranches. The first of the two hikes will take effect on April 26.

Manishi Raychaudhuri, executive director, UBS Investment Research, said he was "not really

Strong world

Experts feel the week could turn out to be a good one, given the strong global cues

However, with headwinds like crude at \$115 and possible rate hikes by banks, the upside is limited

Interest rate sensitive sectors like banks and real estate could take a hit from the CRR hike

surprised" by the move. "But the magnitude might surprise the Street. Most brokers were expecting a 25 bps hike; 25 bps in two tranches means it's a negative. The market may enter a corrective phase next week."

Interest rate sensitive sectors like banks and real estate could take a hit as a result. Sandip Sabharwal, CIO, JM Mutual Fund, however, felt even these sectors may not react much. "Interest rate sensitives are already beaten down. The move was expected. So, I don't see much of an impact."

With more mavens positive than negative, the broader market might just ride the momentum it got from a good start to the earnings season.

Experts feel the week could even turn out to be a good one, given the strong global cues.

Turn to Page 24

Chinese power equipment suppliers crank up prices

Hit by strong yuan, tabs are up 20-25%

C Chitti Pantulu, Hyderabad

Ironical as it may seem, power minister Jairam Ramesh's concern over import of cheap Chinese power equipment, though justified prima facie, clearly appears misused given the ground realities.

Even as the minister has been going around expounding the virtues of import substitution and pressing for domestic presence as a pre-condition for exporting power equipment to India, Chinese power equipment imports have become cost-



In a fix

While part of the price hike by the Chinese firms is owing to strength of the yuan, rising input cost is another concern

However, domestic power producers have limited options

Turn to Page 24

Prof Pankaj Ghemawat says it was not steel that got the richest Indian his first billions

A Mittal secret from the 'rust buckets' of Kazakhstan

Satish John & Vivek Kaul, Mumbai

Know how Lakshmi Mittal made his first few billions?

Of course through steel! Coal from the 'rust buckets' of Kazakhstan is more like it, says Pankaj Ghemawat, one of the youngest-ever Harvard Business School professors.

Ghemawat, who is currently on leave from the ivy tower, and is working as a full-time professor at the IESE Business School, Barcelona, along, with some of his students, conducted some "forensic examination" of Mittal's past acquisitions.

They deconstructed annual reports till 2004.

"I was struck when I went through this exercise around a couple of years ago, as basically one-third of Mittal's operating profits were coming from Kazakhstan," he said.

He credits Mittal for using his imagination.

"Mittal's strategy was to buy up old public sector steel mills across the world. These mills, which Mittal turned around, were derisively known as "rust buckets".

Kazakhstan was no different. "What he basically bought was a Soviet era township, along with 70,000 employees. One of the pre-conditions of the deal was that Mittal couldn't reduce employment by much as it was the Kazakh president's pet project. Hence, it came along with huge political problems," said Ghemawat.

And this is where Mittal was "very, very clever".

The steel mill in Kazakhstan, a huge country, has vast reserves of coal and the rail links to China were just across the road, as it were.



'There is a lot of headroom for Indian IT', Q&A Page 30

Mittal had known all along China's massive need for the fuel. He sold huge quantities of coal across the border.

"In privatisation processes people generally focus on what's the price per tonne of steel-making capacity. But people give the raw material rights and whatever else the buyer insists on, which is why you see the jockeying that you see in Orissa. And

smart steel makers - not just Mittal, but also the likes of Posco — understand this."

Steelmakers across the globe, including the Tatas, are vying to set up operations in the backward states of Chhattisgarh, Orissa and Jharkhand, India's richest regions in terms of iron ore and coal.

"But," says Ghemawat, "to be fair to Mittal, he is just looking

at multiple revenue sources and deserves the credit for being imaginative."

"They may have been too creative in terms of having cultivated relationships with governments — the Tony Blair letter to the Romanians on behalf of the Mittals is an example. I have seen protocols of some of the eastern European deals and they have been very creative at structuring the deals," Ghemawat said.

"The other thing worth noting is that there were two Mittal-vested entities that were operating and he then sold one to the other and this is where he got his \$2 billion of cash-out," says the professor. "It is interesting to note that since then, the price he is willing to pay for a tonne of capacity has escalated significantly since he got his cash out of the business."

Turn to Page 24