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CORPORATE: Nikon's Tanaka says cellphones are good for it >4

AUTO: Riding on sales, Tata Motors makes a surprise recovery in Sep quarter >9

QUIZ: Which company is involved in a project to genotype India's Parsi population? >8

SENSEX **16,632.01** \pm 222.92NIFTY **4,941.75** \pm 63.8DOLLAR **Rs46.65** \pm Re0.20EURO **Rs69.61** \pm Re0.52GOLD **Rs17,615** \pm Rs275OIL **\$75.88** \pm \$1.67

Saturday reading

The Andhra Pradesh Congress legislature party meets in Hyderabad and adopts a resolution leaving it to the high command to name the next chief minister. This is being viewed as a signal that Jagan Mohan Reddy would be kept away from the post, especially after Congress lost in Hyderabad municipal seats where he campaigned. **>P9**

PHOTO FEATURE



Quite contrary to expectation, the largest economic activity in Goa, bringing in revenue of at least Rs2,000 crore a year, is the iron ore mining industry. The sheer size and scale of the industry is spectacular, but also brings it a lot of criticism. **>Pages 6,7**

LEADING THE NEWS

Dilip Rao Saheb Deshmukh has joined the Company Law Board (CLB) as chairman. Deshmukh, a retired judge, was to join on 1 December, but the arrest of acting chairman R. Vasudevan on alleged charges of corruption had left the Delhi bench vacant. **>P11**

The growing military ties between China and Pakistan remain an area of serious concern to India, says defence minister A.K. Antony. **>P11**

LEISURE

Sanjukta Sharma says Priyadarshan's brand of slapstick has degenerated into schmaltzy, sexist and vulgar drive-in his latest film, *De Dana Dan*, is a colossal waste of money; and Anirban Das Bhattacharya on why the Sony VIAO X laptop ad featuring Kareena Kapoor works. **>P8**



COLUMNS

R. Sukumar says better leaders of organizations and countries have always known that consistency of purpose is needed to handle volatile business cycles, but it is also difficult to maintain this consistency in the face of short-term pressures. **>P5**

Manas Chakravarty discusses a book that makes a case for realigning executive compensation more closely with the interest of long-term shareholders, and a research paper which finds, among other things, that trade protection as well as fiscal stimulus end up crowding out demand and slowing recovery. **>P10**

CALENDAR

The first computer-based Common Admission Test, spanning 10 days, kicks off on Saturday, with 240,000 candidates expected to appear across 105 test centres in 32 cities; on Monday, gross domestic product figures for the July-September period are released. **>P5**

QUICK EDIT

Fire and ice in Dubai

The sandstorm in Dubai has hit financial markets in most parts of the world. It is tough to assess right now how serious the West Asian emirate's debt problems are. But the past 48 hours should hopefully act as a reminder to investors and analysts that while the worst may be over for the world economy, the recovery is still fragile.

Financial markets have been on a roll since March, first growing in confidence and now almost dangerously sanguine. Most traders and investors have not bothered to ask themselves a simple

question: If the crisis is indeed over, then why are central banks and governments still continuing with their stimulus programmes?

Dubai World, the emirate's investment company, is now staring at a default. It has told creditors it needs time to pay back the \$60 billion it owes them.

Iceland tumbled into near bankruptcy in 2008 after the collapse of its three largest banks. The columnist Thomas Friedman famously called it a hedge fund with glaciers. Is Dubai a hedge fund with sand dunes?

DUBAI'S DOMINO EFFECT

Why does Dubai matter? Because the UAE is India's largest non-oil trading partner. Because one-third of India's remittances come from the Gulf. Because it will affect personal wealth, air traffic between the two countries and real estate investments



Dubai is one of the seven emirates that make up the UAE, which also includes Abu Dhabi, Sharjah, Fujairah, Ras al-Khaimah, Ajman and Ummal-Quwaim
Source: CLSA; Noble Group and company comments; BSE; Bloomberg

COMPANY PROFITS COULD BE AFFECTED

Stock prices of firms with investments in the UAE fell on Friday

▼4.91% Bank of Baroda: Has Rs10,000 cr exposure to UAE, but bank says no concern about this portfolio

▼4.77% Thomas Cook (India) Ltd: Dubai Financial has 60% stake in the company worth \$123 million

▼4.48% Nagarjuna Construction: Has Rs100 cr equity in a construction project in Dubai

▼4.44% SpiceJet Ltd: Istithmar PJSC (a private equity fund) has a 13.4% stake worth \$50 mn

▼2.96% Gammon India Ltd: Has a token presence, builds satellite cities

▼2.74% Sobha Developers Ltd: Promoter owns stakes in 2 hotel and residential projects in Dubai

▼2.55% Larsen & Toubro Ltd: Has been the most aggressive company in the Gulf states, but says exposure limited to \$25 mn now

▼2.08% Simplex Infrastructures Ltd: Exposure likely limited to less than Rs300 cr

▼1.04% DLF Ltd: Limitless, a Dubai Co, has already pulled out of a partnership with DLF for 3 Indian township projects

▲1.7% BSEL Infrastructure Realty: Has plans to build a waterfront project and 6 towers in Emirates City

MARKETS WILL BE SHAKY

Gold tumbled nearly 5%, the rupee was volatile, oil slipped below \$75 a barrel in New York and Asian stocks fell sharply.

Intraday movement of the SENSEX.



EXPORTS MAY SUFFER

The UAE is India's biggest non-oil export destination, aggregating \$24 bn in 2008-09

"We should not react to instant news like this. One lesson of the crisis is that we must study the developments, and I think we must measure the extent of the problem there and how it impacts India"

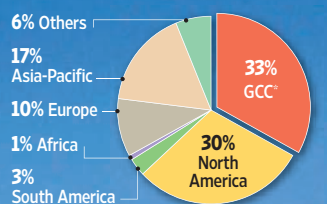
D Subbarao
Governor, Reserve Bank of India

LABOUR IS VULNERABLE

Two in five people living in the UAE are from India



REMITTANCES COULD FALL



REAL ESTATE WILL BE HIT

Dubai's real estate developers plan to invest \$48.15 bn in India, while Indian developers have \$975mn invested in Dubai

"Remittances from expats didn't suffer during the period when the larger crisis was on. So whether this should have an impact in terms of employment, in terms of salaries and therefore in terms of remittances is somewhat unlikely"

Ashok Chawla
Finance secretary

ALSO SEE

>Dubai realty debacle: major Indian developers say they are unaffected
>RAPID FIRE: Dubai is not the last sovereign debt that may have failed

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SANDEEP BHATTNAGAR/MINT

RCom sets 1 paisa SMS fee, extends the tariff war

By SHAUVIK GHOSH
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NEW DELHI

Per paisa may be the new buzz phrase of the telecom sector. Opening a new front in the tariff war raging across the sector, Anil Ambani-promoted Reliance Communications Ltd slashed its SMS (short message service) rates to 1 paisa per message on Friday. "All Reliance Mobile customers, regardless of the tariff plans they have for voice and data services, can avail of the 1p/SMS plan by subscribing to a standard tariff voucher of Rs11 per month," a statement from the company said. Additionally, the firm offers a plan of Re1 per day for unlimited SMSes.

At present, the lowest SMS rate in the market is being offered by Tata Teleservices Ltd's GSM-based mobile serv-

COPENHAGEN COUNTDOWN

As China takes the lead, India may also unveil climate goals

By RESHMA PATIL
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BEIJING

India is being strategically pushed into announcing voluntary targets to curb its carbon footprint as China makes moves to lead developing nations in negotiating a major climate deal in Copenhagen next month.

"I don't think we can sweep (aside) the fact that our peer group of nations like China, Indonesia, Brazil and South Africa have clearly put down voluntary, unilateral, non-legally binding and quantitative targets," said minister of state for environment Jairam Ramesh in Beijing on Friday. "It has implications for us. We can't run away from it," said Ramesh to the media, after a "completely unexpected" meeting with Chinese Premier Wen Jiabao that lasted over an hour.

The minister said he told Wen

that India is also looking at outcomes and emissions/energy intensity. "We have the numbers. We have done the homework," said Ramesh. "There is a lot of room for reducing energy and emissions intensity in India without jeopardizing 7-8% GDP (gross domestic product) growth. Whether, how and when we announce, has to be decided."

India's targets will be lower than China's. "By 2020, China will be where India is today in terms of emissions intensity," said Ramesh.

Carbon intensity is the amount of carbon dioxide emitted per unit of economic growth. This week, China promised to cut 40-45% of its

TURN TO PAGE 3

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COPENHAGEN
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Tackling numbers: Minister of state for environment Jairam Ramesh.