

India Inc worried, equities fall as blasts rock Bangalore

A series of bomb blasts in India's software hub [Bangalore](#) Friday sent equity markets crashing, even as the corporate sector expressed worries over its impact on the country's \$65 billion IT industry that houses companies like Infosys, Wipro, Intel, Microsoft and Yahoo!.

'The blasts may be the strategy of unscrupulous forces to undermine the primacy of Bangalore as a global knowledge centre,' said Amit Mitra, secretary general of the Federation of Indian Chambers of Commerce and Industry (Ficci).

'We hope such acts do not affect Bangalore's reputation and global investment inflows,' he said, referring to the fact that the city accounts for 40 percent of India's exports of software and information technology-enabled services.

One person was killed and several people were injured Friday when a series of bombs exploded between 1.30 p.m. and 2.15 p.m., some near the electronics city for which the south Indian city is globally known, police officials said.

The latest Bangalore blasts followed a terror attack in the city in December 2005 and similar serial blasts in [Jaipur](#) May 13.

"This is a serious matter and the government will have to do a proper audit of the security system," said Kiran Mazumdar-Shaw, chairperson and managing director of the Bangalore-headquartered Biocon.

"We need to have both the software and the hardware to effectively combat these kinds of situations," added Mazumdar-Shaw, whose company is ranked among the top 25 biotechnology companies in the world.

Anil Aggarwal, the former president of the Associated Chamber of Commerce and Industry (Assocham), said the blasts were a bad omen for India and its industry, which was already facing a series of hardships.

"This is a bad omen for India. It must be nipped in the bud. This also gives the impression that terrorists can strike any city," Aggarwal added.

The blasts also sent tremors down India's equity markets.

After three hours of decline, the sensitive index (Sensex) of the Bombay Stock Exchange (BSE) was making a smart recovery an hour after noon Thursday. But as news of the blasts spread the key index came crashing down.

The key index closed at 14,274.94 points - down 502.70 points, or 3.40 percent, over the previous close.

"Investors at the last trading hour tried to get off the IT major counters as Bangalore is the hub of all major software companies,' said Dipon Mehta, who is director with the Mumbai-based brokerage Dipon Shares and Stocks Limited.

"In the short term, the Bangalore blasts will have a bearing on software stocks. But in the long run, events like these are unlikely to impact IT shares," added Ashok Jainani, the head of research at another brokerage Khandwal Securities.

Vinnie Mehta, executive director of Manufacturers' Association of Information Technology (MAIT), a leading lobby for IT industry, subscribed to this view.

"It is very unfortunate, no doubt. But our IT industry is quite resilient and its spirit cannot be dampened."

Ficci president and Rajya Sabha MP Rajeev Chandrasekhar, whose group is based out of Bangalore, said the blasts were yet another attempt to target Indian civil society.

(With inputs from Bangalore and [Mumbai](#) bureaus)

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