



MARKET MOVEMENT

Major Indices	March 06, 2009	March 13, 2009	% Change	Change
BSE Sensex	8,325.82	8,756.61	5.17	
NSE Nifty	2,620.15	2,719.25	3.78	

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- **TN allocates Rs 12 billion for rural development**
- **Government sanctions US\$ 15.2million for 2010 Games security**
- **FDI shoots up 90% this fiscal to Rs 857 billion**
- **Trai supports 3-year lock-in for stake sale**

TN allocates Rs 12 billion for rural development

THE Tamil Nadu (TN) Government has sanctioned over Rs 12 billion for various programmes being implemented in rural areas of the state. These include housing programme and construction of roads in village panchayats. The state has allocated around Rs 3.90 billion for the Indira Awas Yojana, a rural housing programme, being implemented by the Ministry of Rural Development. For the year 2009-10, the Government has set a target to construct 135,000 concrete houses in rural areas at a cost of around Rs 7.42 billion. The Centers share would be Rs 3.54 billion, of the total Rs 56.46 billion for distribution among all the states in the country.

Government sanctions US\$ 15.2million for 2010 Games security

THE Government has sanctioned US\$ 15.2 million to beef up security at the Commonwealth Games in New Delhi next year. A total of Rs. 7,830 million has been sanctioned to Delhi police to procure additional security equipment like X-ray scanners specifically for the Commonwealth Games 2010. They would adopt security measures similar to those used at last year's Beijing Olympic Games. A number of Australian athletes have expressed reservations about coming to India, with former swimming champion Dawn.

FDI shoots up 90% this fiscal to Rs 857 billion

FOREIGN Direct Investment (FDI) inflows into India grew 90% in the first eight months of the current fiscal year, indicating that the country continues to be an attractive destination for investors despite a fall in economic growth rates. FDI inflows during the April-November period stood at Rs 857 billion compared with Rs 450 billion in the corresponding period of the previous fiscal, despite most of the developed world reeling under the impact of a global recession. Investments from three Asian countries Mauritius, Singapore and Japan contributed more than 55% of the total inflows during the period.

Trai supports 3-year lock-in for stake sale

THE Telecom Regulatory Authority of India (Trai) recommended a three-year lock-in period for stake sale by promoters who have recently received mobile service licences. At the same time, the

regulator has given a major concession to the new players. It has recommended that with prior permission from the licensor and on fulfillment of rollout obligations, the promoters may be allowed to sell stake even during the lock-in period. This permission is, however, based on the condition that half of the profit earned on the stake-sale is retained in the company and utilised for network expansion, while the rest is transferred to the licensor.

INDUSTRY WATCH

- **Lot of opportunity in packaged products**
- **Car sales rise in February 2009**
- **Indian companies top global charts on hiring plans in April-June**
- **February 2009 sees 9.2 million new GSM users**

Lot of opportunity in packaged products

THE Indian packaged products market has got a lot of opportunities with 10 consecutive quarters of growth. A consistent focus across brands and engaging campaigns with stars has helped the beverages company strengthen its brands. It claims leadership positions in the cola (Thums Up), clear lime (Limca), juice drink (Maaza) and packaged drinking water (Kinley) retail segments. It is reportedly readying to launch a lemonade and energy drink this year.

Car sales rise in February 2009

PASSENGER car sales have increased in February 2009. The majority of producers posted a healthy increase in their wholesale numbers the units dispatched to the dealers. February auto sales were bolstered by increased availability of finance and advancing of purchases by customers and firms in view of the depreciation benefit. Maruti Suzuki, which controls more than half the domestic market, increased its sales by 19%, selling 70,625 units. Hyundai's sales were up 45% at 21,215 units. Tata Motors also improved its sales marginally by 5% to 22,102 units.

Indian companies top global charts on hiring plans in April-June

INDIA tops a list of nations likely to keep a steady pace of hiring in the April-June quarter of 2009 with one in every four Indian companies surveyed saying it plans to recruit. South Africa came second in the 33-country study that featured 3,600 Indian companies and 72,000 employers worldwide. The survey's benchmark Net Employment Outlook (NEO) for India improved from 19% in the previous quarter to 25% in April-June.

February 2009 sees 9.2 million new GSM users

GLOBAL System for Mobile (GSM) communication subscriber base in the country grew by 9.2 million (excluding Reliance Telecom) in February 2009. The total GSM subscriber base in the country rose to 277.16 million in February from 267.54 million in January 2009, a growth of about 3.43% during the month. India's largest private telecom operator Bharti Airtel continued to dominate the market as its subscriber base rose to 91.11 million in February. The operator added 2.73 million subscribers to its subscriber base.

CORPORATE HIGHLIGHTS

- **Forbes Marshall in pact with Belgium company**
- **Metlife expands in North India**
- **Japan pushes Indian pipes export network**

- Syngene, DuPont deepen tie-up
- Reliance Power signs transmission pacts with 8 companies
- Nimbooz by 7Up' launched
- MCX-SX signs pact with UP bullion traders' body
- CII, IGNOU sign pact
- Infosys eyeing acquisitions in Germany, France, Japan
- JK Tyres rolls out tubeless tyres for after-market
- Kochi port signs pact with Petronet for LNG terminal

Forbes Marshall in pact with Belgium company

FORBES Marshall and the Belgium-headquartered Vyncke Energietechniek have signed a 50:50 Joint Venture (JV) agreement for the manufacture of boilers for different industry segments. Vyncke delivers tailor-made energy plants that convert biomass and industrial waste into energy. Forbes is a player in providing solutions for process efficiency and energy conservation. Forbesvyncke, would offer steam, hot-water boilers, thermal fluid heaters and power plants with patented combustion technologies for biomass, coal and boilers for special fuels such as industrial waste and municipal waste and energy plants for the ply industry.

Metlife expands in North India

LIFE-insurance company MetLife India has expanded its presence in the country by opening 20 new offices in north India, which it sees as an important growth engine. MetLife now has an established network of 58 branches across 40 cities in the northern region. The new branches are located in cities such as Ajmer, Kapurthala, Jalandhar, Pathankot, Ludhiana, Amritsar, Udaipur and Jodhpur. Their country-wide branch expansion plans will bring them in close proximity to their customers. Northern region is an important market. The new offices will help their products to come within an easy reach of their customers.

Japan pushes Indian pipes export network

KHARAGAPUR: Kubota Corporation from Japan has made India its manufacturing hub of ductile pipes to cater to its foreign market spread across West Asia, Southeast Asia and Africa. Tata Metaliks Kubota Pipes Ltd, a JV company of Tata Metaliks, Kubota Corporation and Metal One, will manufacture 110, 000 tonne per annum ductile pipes of which 20% would be put to Kubota's export network. The trial run of the ductile iron pipe plant would mainly cater to the Government bodies engaged in water supplies.

Syngene, DuPont deepen tie-up

SYNGENE International has deepened its relationship with DuPont Crop Protection and has signed up as its alliance partner. It will now cover a broad range of R&D technical capabilities to support DuPont's discovery pipeline. Syngene will now provide integrated research services through its one box model. Syngene would be supporting DuPont across the discovery and development value chain.

Reliance Power signs transmission pacts with 8 companies

RELIANCE Power Transmission Ltd (RPTL), through its two special purpose vehicles, has signed power transmission agreements with eight power companies and departments from the western region. The agreements are for two inter-State power transmission projects, under the Western

Region System Strengthening Scheme (WRSSS) – II. The signing of the agreements will lead to financial closure for these projects, costing Rs 18 billion.

Nimbooz by 7Up' launched

PEPSICO India has launched its packaged nimbu paani Nimbooz by 7 up. The product, with real lemon juice, no fizz and no artificial flavours, will be available in three packaging formats of 200 ml returnable glass bottles, 350 ml PET and 200 ml tetra packs, priced at Rs 10, Rs 15 and Rs 10, respectively. Its communication tagline will be Ekdum Asli Indian, and the integrated communication programme includes TV commercial, press, radio, and so on.

MCX-SX signs pact with UP bullion traders' body

MCX – SX has forged alliance with U.P. Sarafa Association, an Uttar Pradesh-based bullion traders' body. The alliance will enable thousands of members of the association to participate in the modern trade mechanisms enabled by the MCX – SX currency platform. MCX – SX has also signed MoU with six trade associations of Rajasthan. The alliance will enable the association to take advantage of an efficient currency futures market reaches to all spectrums of its users. Various joint seminars and programmes will be organised to educate members of association about the currency futures market and its benefits. MCX-SX, jointly with its MoU partners, has conducted over 120 training and awareness programmes across the country.

CII, IGNOU sign pact

THE Confederation of Indian Industry (CII) and the Indira Gandhi National Open University (IGNOU) have signed a MoU to impart skill-based learning. Around 12,900 students in 42 cities will be accommodated under the first phase of this programme. The courses to be offered under this project are travel and tourism; security and fire safety; and spoken English and personality development. CII will be offering domain knowledge for developing curriculum; provide industry experts as faculty; and assist in internship and placement of students. IGNOU will administer admission; facilitate student's enrolment; and generate publicity for courses to ensure maximum participation.

Infosys eyeing acquisitions in Germany, France, Japan

INFOSYS Technologies is looking for acquisitions in France, Germany and Japan in the consulting, Business Process Outsourcing (BPO) and few other segments. They are looking at companies engaged in Enterprise Resource Planning (ERP) implementation, consulting and BPO segments. They are also keen on companies offering services to healthcare sector as it is not affected by the current global economic downturn.

JK Tyres rolls out tubeless tyres for after-market

JK Tyre announced the launch of the Ultima NXT tubeless range for the after-market buyers to support A and B segment cars. The company maintained that most original equipment manufacturers are gradually taking to tubeless option for new cars. These tubeless tyres are intended for A and B segment cars starting from Maruti 800, Alto, WagonR, Zen Estilo, A-Star, Swift, Santro and the i-10 range. Most of the buyers now see the advantage of these tubeless tyres and are opting for them during replacement. This is because these tyres have special hydro planning channels for wet handling and anti-aquaplaning.

Kochi port signs pact with Petronet for LNG terminal

THE Cochin Port Trust signed the concession agreement with Petronet LNG Ltd (PLL) for the construction of LNG terminal and re-gasification plant within the port-based SEZ. The Rs 40 billion project, coming up at 33.40 hectares at Puthuvypeen, is expected to be commissioned by 2012, and is expected to boost the revenues of the port as well as the economy of the region. The LNG will be sourced from suppliers in Trinidad, Tobago, Qatar, Algeria, Nigeria, Australia and Indonesia. The project at Kochi involves setting up of a LNG import and re-gasification terminal of nominal capacity of 2.5 million tonnes per annum (mtpa) with a provision of expansion to five mtpa.