



## MARKET MOVEMENT

Major Indices	Feb 19, 2010	Feb 26, 2010	% Change	Change
BSE Sensex	16,191.63	16,429.55	1.46	
NSE Nifty	4,844.90	4,922.30	1.59	

[Click here to download India Budget Statement 2010](#)

[PDF Document. Kindly open the document with Acrobat Reader]

## INDIAN ECONOMY AT A GLANCE

### POLICY WATCH

- Government clears 91 ITIs and 415 SDCs in Orissa
- India signs power pact with Bangladesh
- India, Latvia ink pact to promote investments
- Twelve FDI proposals get Government nod

#### Government clears 91 ITIs and 415 SDCs in Orissa

**GOVERNMENT** of India has decided to set up 91 new Industrial Training Institutes (ITIs) and 415 Skill Development Centres (SDCs) in Orissa on the Public-Private Partnership (PPP) mode. Government would provide basic infrastructural support for these ITIs and SDCs including free land with proper power, water and road connectivity, the Centre would provide Viability Gap Funding. The proposed ITI s would have strength of 250 trainees per shift running about 10 demand driven trades. An estimated Rs 60 million would be spent towards infrastructural development on each of this ITI s.

#### India signs power pact with Bangladesh

**INDIA** inked a pact to jointly set up a 1,320 MW coal-fired power project in Bangladesh and build a cross-border transmission link. While a transmission link with Bhutan is already in place, plans are afoot to develop two more projects in the Himalayan kingdom, besides sprucing up the existing power line to enable up to 5,000 MW of electricity import by 2020. Also, a proposal is in the works for setting up an undersea link with Sri Lanka, where NTPC is gearing up to build a thermal power project.

#### India, Latvia ink pact to promote investments

**INDIA** and Latvia signed a Bilateral Investment Promotion and Protection Agreement (BIPPA) aimed at boosting bilateral investment and technology flows between the two countries, by creating favorable conditions for investors. The agreement includes full repatriability of investment and returns, protection against expropriation and a mutually acceptable definition of investment. The pact also provides for national treatment to investments on a post-establishment basis as well as most favored national treatment to investments and investors on a post-establishment basis, except for a public purpose and against payment of a fair and equitable compensation.

### **Twelve FDI proposals get Government nod**

**TWELVE FDI proposals totaling over US\$ 216.1 million have received Government approval. Government has approved proposals amounting to Rs 10.45 billion, on the recommendation of the Foreign Investment Promotion Board (FIPB). Proposal of Delhi based Max India to bring in Rs 5.29 billion, ranks as the highest Foreign Direct Investment (FDI) proposed, followed by the Rs 3.6 billion proposal of Hyderabad-based Soma Highways (Toll) Projects.**

## **INDUSTRY WATCH**

- **Exports of gems and jewellery increase 62% in January 2010**
- **Computer sales surf higher on economic revival**
- **Core sector grows 9.4% in January**
- **Credit growth keeps pace with economy**

### **Exports of gems and jewellery increase 62 % in January 2010**

**EXPORTS of gems and jewellery have touched US\$ 2.6 billion in January 2010, growing 61.8% over the same period in the previous year. During the month under review, polished diamonds exports stood at US\$ 1.7 billion, compared to US\$ 904.48 million posted for the same period in the previous year. Cut and polished diamonds exports posted 89.02% growth over the corresponding period in the previous year.**

### **Computer sales surf higher on economic revival**

**TECHNOLOGICAL developments and right pricing led to overall sales of the Indian Personal Computer (PC) market touching 1.97 million units during the October-December (fourth) quarter of calendar year 2009, a 25.7% year-on-year (y-o-y) growth. Desktop PC sales accounted for nearly two-thirds of total PC sales at 1.27 million units, a 14.6% increase over the corresponding quarter last year.**

### **Core sector grows 9.4% in January**

**INDIA'S core sector, comprising six key infrastructure industries, grew 9.4% in January 2010, compared with 6% in the previous month and 2.2 % in January 2009. The growth was primarily led by an increase in the production of crude oil, electricity and finished steel last month. Core sector grew 5.4% in the April 2009-January 2010 period, against 3% in the corresponding period of 2008-09. Electricity and finished steel grew 5.6% and 16.2%, respectively, in January 2010 compared with 1.8% and 3.2%, respectively, in January 2009.**

### **Credit growth keeps pace with economy**

**KEEPING with the improvement in economic growth, the outstanding bank credit rose by Rs 225.96 billion to Rs 30,516.76 billion. The y-o-y growth in credit was 15.07% over the figure at the end of the same period in the previous year. The year-on-year non-food credit growth recovered to over 15% by mid-February 2010 from around 10% in October 2009. Companies had better access to non-bank sources of funds which, to a large extent, mitigated the impact of the slowdown in bank credit growth.**

## **CORPORATE HIGHLIGHTS**

- **KPCL, L&T sign JV for 1,600 mw power plant**
- **Religare buys Northgate Capital**
- **Shree Renuka buys 51% in Brazil sugar firm**
- **Air Works acquires stake in Air Livery**
- **PowerGrid inks pacts with 37 private developers**
- **Toyota Kirloskar's Bangalore plant to roll out 200,000 cars**
- **Reckitt Benckiser ties up with LG**

### **KPCL, L&T sign JV for 1,600 mw power plant**

**KARNATAKA POWER CORPORATION LIMITED (KPCL) and L&T signed a Joint Venture (JV) agreement for the 1,600 MW (2 X 800 MW) coal-based super critical thermal power project at Godhna in Chhattisgarh.** Most of the clearances have been obtained and land acquisition (in Chhattisgarh) is in progress. Government has allotted 1,260 acres to KPCL for the project. Government of Karnataka is not blessed with coal or gas or oil and so it took initiatives to approach the coal-rich Chhattisgarh to put up a big thermal plant there.

### **Religare buys Northgate Capital**

**RELIGARE ENTERPRISES announced has acquired majority stake in Northgate Capital, an international Private Equity (PE) company having offices in London and San Francisco.** Religare and Northgate have signed a definitive agreement for the former to acquire a majority equity interest in Northgate's management company. Northgate's five partners will continue to retain controlling interests in Northgate's general partner entities. There will be no changes to Northgate's management team, investment staff, or day-to-day operations, investment committee and investment processes as a result of the partnership with Religare.

### **Shree Renuka buys 51% in Brazil sugar firm**

**SHREE RENUKA SUGARS, among the country's largest sugar producers, has signed an agreement with Brazilian conglomerate Grupo Equipav to buy a controlling 50.79% in Equipav S A ACUCAR e ALCOOL (Equipav) for Rs 15.30 billion or \$329 million.** The deal is the largest by a domestic sugar producer and puts the company among the world's top three sugar players from its current position among the top ten. Equipav is among Brazil's largest sugar and ethanol manufacturers and its acquisition will enable the Indian company to source more than 50% of its annual requirement of raw sugar annually.

### **Air Works acquires stake in Air Livery**

**AIR WORKS Engineering, has announced the acquisition of a 85% stake in the British company, Air Livery.** Air Works, which has a facility for Maintenance, Repair and Overhaul (MRO) in Karnataka, is currently undertaking the construction of a hangar that allows for the simultaneous painting of two large planes such as the Airbus 340 or the Boeing 777. Air Works' MRO facility in Hosur has received approvals from the European Aviation Safety Agency.

### **PowerGrid inks pacts with 37 private developers**

**POWERGRID CORPORATION OF INDIA LTD (PGCIL) signed long-term transmission pacts with 37 private developers, entailing a gross generation capacity of over 42,000 MW.** The signing of the pacts would help PGCIL to go ahead with the implementation of the seven proposed high capacity transmission corridors for wheeling power from a bevy of private projects coming up in the eastern and southern States. It involves investments of about Rs

480 billion, is aimed at facilitating transfer of electricity to the power starved northern and western regions of the country.

**Toyota Kirloskar's Bangalore plant to roll out 200,000 cars**

**JAPANESE** carmaker Toyota Kirloskar Motor (TKM)'s new plant in Bangalore will commence production of the company's latest offering, the Etios Concept, by December 2010. Total number of cars produced at the plant, will gradually increase to full capacity of 200,000, over the next three years. The new plant will exclusively manufacture the Etios, which will be launched successively in sedan and hatchback markets in India first, and then abroad.

**Reckitt Benckiser ties up with LG**

**FMCG major Reckitt Benckiser has tied with LG, a consumer electronic appliances maker to promote 'Finish' detergent brand by creating awareness about dishwashers in India.** Reckitt Benckiser, the leading FMCG Company in the world has joined hands with LG to increase the penetration of Dishwashers in India. Dishwasher market is still in its nascent stage and the key for success is increasing the penetration of dishwashers in association with leading white good manufacturers.