



MARKET MOVEMENT

Major Indices	Aug 21, 2009	Aug 28, 2009	% Change	Change
BSE Sensex	15,240.83	15,922.34	4.47	
NSE Nifty	4,528.80	4,732.35	4.49	

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- **PM approves national mission on energy efficiency**
- **Trade policy's first target is 15% export growth**
- **State approves projects worth Rs 163.12 billion**
- **Foreign Trade Policy Aimed at Diversifying Indian Exports**
- **Nod for village electrification programme**

PM approves national mission on energy efficiency

THE Prime Minister's Council on Climate Change has given an in-principle nod to the National Mission on Enhanced Energy Efficiency. This Mission will enable about Rs 750 billion worth of transactions in energy efficiency. It will help save about 5% of our annual energy consumption, and nearly 10 billion tonne of carbon dioxide every year. The implementation of this mission will also be a powerful signal to the international community to contribute in a significant manner, to meet the global challenge of climate change.

Trade policy's first target is 15% export growth

THE Government announced a slew of relief measures for exporters. These include incentives to capture 26 new markets in Africa and Latin America, duty-free import of capital goods for technological upgradation, dollar-denominated credit and doing away with application fees for grant of incentives under various export schemes. The Government decided to set up a Directorate of Trade Remedy Measures to support industry and exporters, especially from the small and medium enterprises sector, in availing themselves of their rights through trade remedy instruments such as anti-dumping, safeguard and countervailing (anti-subsidy) duties.

State approves projects worth Rs 163.12 billion

The State Level Single Window Clearance Authority (SLSWCA) approved seven projects worth Rs 163.12 billion in sectors like aluminium, energy and metal having employment potential for 3,525 persons. Two projects worth Rs 142.75 billion were referred to the High Level Clearance Authority (HLCA). The two projects are the Rs 79.88 billion proposal of JR Powergen Private Ltd to set up a 1980 Mw power plant at Kishorenagar near Angul and Rs 62.87 billion proposal of BRG Energy Systems Ltd to set up a 1320 Mw power plant at Bhapur in Nayagarh district. The SLSWCA cleared the Hindalco Industries' plan to invest Rs 8.5 billion for setting up of an aluminium rolling mill to manufacture high quality aluminium flat rolled products (FRP).

Foreign Trade Policy Aimed at Diversifying Indian Exports

GOVERNMENT of India stated that the new Foreign Trade Policy 2009-14, attempts to diversify India's export products and markets. The Government has tried to use the available resources judiciously to focus on labour-intensive sectors. These sectors would help to create more jobs, while generating more resources in the economy. Expansion of Market Linked Focus Products Scheme (MLFPS) to 13 new markets and 1700 products was the highlight of the new policy.

Nod for village electrification programme

THE Cabinet Committee on Infrastructure (CCI) has given its nod for continuation of Remote Village Electrification Programme of New and Renewable Energy. The total outlay for the programme has been estimated at Rs 8.67 million. The programme aims to provide renewable energy based lighting/basic electricity facilities with 90 % central financial assistance to those unelectrified villages and hamlets. The programme is expected to cover 10,000 remote, unelectrified villages and hamlets and benefits around one million households.

INDUSTRY WATCH

- **UNIDO launching Projects worth US \$ 9 million to benefit Indian Industry**
- **PC shipments log 5.2% sequential growth in Q2**
- **India's telecom subscriber base crosses 4.79 billion**
- **All villages to enjoy banking in two years**
- **Consumer electronics Companies bank on festive season to boost sales**

UNIDO launching Projects worth US \$ 9 million to benefit Indian Industry

THE United Nations Industrial Development Organisation (UNIDO) is launching new industrial projects totaling US \$ 9 million to benefit industry in India. A US \$ 5.9 million Integrated Cluster Development Programme for India (ICDP) will focus on technology, management, skill development and the environment. A separate project worth US \$ 3 million, a part of ICDP, will deal with upgrading India's machine tools industry. The programme will offer turnkey solutions to each of the identified clusters to help them address technology, quality or environmental constraints, encompassing a comprehensive package of services – ranging from energy efficiency and water conservation to cleaner production and lean manufacturing.

PC shipments log 5.2% sequential growth in Q2

India's overall PC shipments for the second-quarter touched 1.76 million units, logging a sequential growth of 5.2 %. For the same period, the desktop PC shipments rose 4.4 %, while notebook PC shipments were up 7.2 % on a sequential basis. HP retained the top slot with a market share of 17.8 %, followed by HCL and Dell.

India's telecom subscriber base crosses 4.79 billion

INDIA'S telecom subscriber base increased to 4.79 billion at the end of July from 4.64 billion. Wireless subscriber base increased from 4.27 billion to 4.41 billion, registering a growth of 3.36%, while wireless tele density stood at 37.87%. Total broadband subscriber base increased to 6.8 million from 6.62 million, a growth of 2.7 %.

All villages to enjoy banking in two years

IN another two years, every Indian village is tipped to come into the organised credit fold under an ambitious target by banking regulator Reserve Bank of India (RBI) to achieve financial inclusion across the country with the help of business correspondents (BCs). Currently, self-help groups, certain Companies and NGOs are allowed to function as BCs in areas without bank branches. The access could be through a brick-and-mortar bank branch, mobile banking, extension counters or satellite offices and will be applicable to villages. It also envisages a greater role for private sector banks.

Consumer electronics Companies bank on festive season to boost sales

THE festival period, which typically extends from September to November, is one of the most important periods for consumer electronics Companies, with sales during this phase contributing around 30-35% to their annual revenue. All the Companies are lining up special promotional offers to induce consumers.

CORPORATE HIGHLIGHTS

- **Mergers and Acquisitions, Private Equity deals surge in July**
- **Maruti Suzuki to invest Rs 10-15 billion in R&D complex at Rohtak, Haryana**
- **Large corporates drive export growth**
- **McNally acquires German Company**
- **NTPC and NPTI sign MoU for Training Institute in Solapur, Maharashtra**
- **Toyota gears up to make India its small car hub**
- **Thermax-SPX JV to make equipment for power Companies**
- **Lavasa ties up with Wipro for ICT services**
- **Mitsubishi Fuso Truck & Bus Corp looks to enter India in 2-3 yr**

Mergers and Acquisitions, Private Equity deals surge in July

MERGERS and Acquisitions (M&As) and Private Equity (PE) deals showed heightened activity in July, with both reporting significant surges as against the corresponding period last year. M&A values reported during the month were close to a billion dollar, while private equity deals reported a quantum rise in investments to nearly \$2 billion during the month, primarily owing to several Qualified Institutional Placements (QIPs) that closed in July this year. Significantly, QIPs constituted over 90% of the PE investments. M&A deals added up to 35, notching up over \$982 million as against 44 deals in the same period last year with a value of \$637.23 million.

Maruti Suzuki to invest Rs 10-15 billion in R&D complex at Rohtak, Haryana

MARUTI Suzuki's upcoming Research and Development Complex at Rohtak, Haryana, will see an investment in the range of Rs 10 billion to Rs 15 billion. The Haryana Government has allotted 700 acres of land to Maruti Suzuki India Limited (MSIL) in Rohtak where, in addition to R&D facilities including test tracks, a dedicated 100 acres will house the Suppliers' Park, where the Company's vendor partners will bring in further investment in their plants. The development of the allotted land and construction of the Test tracks will be completed during the first phase by 2012, the overall R&D facilities will be progressively completed by 2015.

Large corporates drive export growth

PERFORMANCE of India's large corporate entities is increasingly becoming a significant factor in the country's export performance. This is revealed by an analysis of the performance of the top 500 Companies listed on the National Stock Exchange (NSE) and the total Foreign Exchange (Forex) earnings from merchandise and service exports compiled by the Reserve Bank of India (RBI). These Companies accounted for roughly 22% of the total Forex earnings by the Indian economy in fiscal 2006-07. By 2007-08, this had shot up to 34%.

McNally acquires German Company

MCNALLY Bharat Engineering Company Ltd has acquired the worldwide coal and minerals processing business and equipment manufacturing facility of KHD Humboldt Wedag, a German engineering Company. McNally informed the BSE that the Company's wholly owned Singapore-based subsidiary, MBE Holdings Pte Ltd, entered into purchase agreements for the acquisition of unlisted KHD Humboldt Wedag's global coal- and minerals-related business and its manufacturing facility in Cologne. McNally had signed a Memorandum of Understanding (MoU) for the acquisition. KHD Humboldt Wedag has proprietary technologies, equipment and engineering/design services for cement, coal and minerals processing with an annual turnover of \$50 million.

NTPC and NPTI sign MoU for Training Institute in Solapur, Maharashtra

NATIONAL Thermal Power Corporation Limited (NTPC) and National Power Training Institute (NPTI) have signed a Memorandum of Understanding (MOU) for running the Solapur Power Training Institute being set up at Solapur, Maharashtra. As per the terms of MoU the Institute shall be set up by NTPC and run by NPTI. NTPC will support NPTI in meeting the gap between the revenue earning and the operational expenditure for initial period of two years from the date of functioning of Institute. The Institute shall also provide an opportunity to the existing employees from Power Sector and other Industry to upgrade their skills.

Toyota gears up to make India its small car hub

TOYOTA Motors (TMC) plans to utilise the proposed Indo-Thai Free Trade Agreement (FTA) to make India a hub for small cars to be exported to its global markets. A few auto-parts already enjoy duty free status but the Indo-Thai FTA that is currently under negotiations will make most auto-parts used by Toyota and other car makers duty free. Toyota Motors is looking at all options to make India the manufacturing base for TMC's global operations. Toyota's small car, scheduled for launch next year, would be exported to the overseas market to increase profitability

Thermax-SPX JV to make equipment for power Companies

THERMAX, an energy & environment engineering Company, has entered into a manufacturing 51:49 Joint Venture (JV) with US-based \$5.9 billion SPX Corporation. The JV will provide solutions for large power plants (above 300-mw range) to help generate electricity efficiently and with reduced emission. The JV would provide air pollution control systems for power plants above 300mw. It will manufacture electrostatic precipitators (ESP), bag filters, energy efficiency equipment such as rotary heat exchangers, and equipment for reducing sulphur and nitrous oxide emissions from power plants. Such a plant approximately Cost Rs 10 billion to Rs 11 billion.

Lavasa ties up with Wipro for ICT services

LAVASA Corporation Ltd and Wipro Ltd announced their partnership for planning, implementing and managing Information and Communication Technology (ICT) services across

Lavasa city. Wipro will support Lavasa city in the areas of city management system and services, e-governance, ICT infrastructure and value-added services, including providing intelligent home solutions and digital lifestyle. The ICT services will include voice-video-data services to various businesses operating out of Lavasa city. It will also provide the necessary infrastructure support, including technology selection, supply, installation and management of platforms, networks, data centre etc.

Mitsubishi Fuso Truck & Bus Corp looks to enter India in 2-3 year

JAPANESE commercial vehicle maker Mitsubishi Fuso Truck and Bus Corporation is studying the Indian market to sell its heavy commercial vehicles in India. The Company, a part of the Daimler Trucks Division of Daimler AG, would go alone to sell its commercial vehicles. Japan-based MFTBC is one of Asia's major commercial vehicle manufacturers. In 2008, the Company sold a total of about 1,97,000 vehicles that include light, medium and heavy-duty trucks and buses.