



**MARKET MOVEMENT**

Major Indices	Jan 01, 2010	Jan 08, 2010	% Change	Change
BSE Sensex	17,464.81	17,540.29	0.43	
NSE Nifty	5,201.05	5,244.75	0.84	

**INDIAN ECONOMY AT A GLANCE****POLICY WATCH**

- **India & Japan to jointly develop solar city**
- **Delhi gets new industry policy**
- **New Government buildings to comply with green norms**
- **Government clears Rs 1,380 billion investments**

**India & Japan to jointly develop solar city**

**INDIA** and **Japan** have decided to jointly develop one city in India as 'solar city'. The two countries also agreed to strengthen cooperation in research and development for promoting renewable energy. The project aims to reduce a minimum of 10% of its projected demand of conventional energy at the end of five years through energy efficiency measures and generation from renewable energy installations. The Government has given in-principle approval to 34 cities in the country to be developed as solar cities.

**Delhi gets new industry policy**

**THE** new industrial policy of Government seeks to make the national capital a global hub for clean, high technology industries and services sector. The new policy will encourage non-polluting industries and services sector. It would encourage Information and Technology (IT) and IT enabled services which will not only boost revenues of the Capital but also deter polluting industries. It would promote eco-friendly, knowledge-based industries and generate high amount of revenue.

**New Government buildings to comply with green norms**

**GOVERNMENT** has taken decision that all new buildings of Government and Public Sector Undertaking (PSU) offices will have to follow green rating norms. This decision is taken to ensure that buildings are environment-friendly, aiming to achieve high energy utilization. Government has launched a scheme Green Rating for Integrated Habitat Assessment (GRIHA) which comprises national energy-efficiency rating system, under which buildings will be rated for efficiency compliance by the Energy and Resources Institute (ERI).

**Government clears Rs 1,380 billion investments**

**GOVERNMENT** provided an in-principle approval to 38 projects with an investment of Rs 1,380 billion. The proposed investments are in 14 different sectors, a majority of them Rs 1,009 billion are in iron and steel followed by oil and gas Rs 200 billion, cement Rs 80 billion,

fertilizers and chemicals Rs 45.6 billion and sugar Rs 14.15 billion. These investment proposals involving globally renowned companies are estimated to create an additional 92,350 jobs.

## INDUSTRY WATCH

- **Japanese steel companies focus on India**
- **Port traffic grows 12.8% in November 2009**
- **Domestic auto sales grow 49% in December 2009**
- **Mineral sector grows by over 8% in October 2009**

### **Japanese steel companies focus on India**

**JAPANESE** steelmakers have taken an interesting approach to gain a foothold in India's steel manufacturing sector. The reason for the interest in India is the country's growing domestic steel market, which is estimated to go up by 7%-10%. Japan's sixth-largest steel company JFE Steel and Sumitomo Metal Industries are negotiating with JSW Group and Bhushan Steel, respectively, for picking up equity stake between 26% and 40% in new plants in India. Japanese companies have chosen greenfield projects that are being set up by existing home grown steel companies.

### **Port traffic grows 12.8% in November 2009**

**INDIA'S** major ports registered a 12.8% Year-on-Year (Y-o-Y) rise to 48.2 million tones in November 2009 in cargo volumes, paced by growth in container and iron ore traffic. In November 2009, India's containerized volume reported a double-digit growth of 15% Y-o-Y. Demand has begun to rise in overseas markets with the emergence of the US and European economies from recession. India's logistics sector, including entities involved in the supply chain between the point of origin and the point of consumption, has witnessed revival on the back of India's growth of 7.9% in the three months.

### **Domestic auto sales grow 49% in December 2009**

**DOMESTIC** passenger vehicle sales for December 2009 grew 49% to 119,930 units. This is the second highest sales notched by the auto industry in the current financial year, with November sales being the highest at 66.54%. Passenger vehicle sales have seen a double-digit growth rate since July 2009. In the last three months alone, sales grew at a far higher rate on the back of a low base in the previous year when car sales grew by just 0.13%.

### **Mineral sector grows by over 8% in October 2009**

**INDIA'S** mineral production in value terms grew by 8.25% to Rs 88.17 billion in October 2009. The mineral production in October last year was higher by 8.25% compared to September 2009, while the increase was 8.25% compared to October 2008. During the April-October period the mineral sector has shown a positive growth of 7.92%. The total value of mineral in the country during October 2009 was Rs 88.17 billion.

## CORPORATE HIGHLIGHTS

- Cadila Healthcare completes Simayla buy
- Walgreens inks outsourcing deal with Genpact
- TCG Lifesciences, Pfizer ink drug research pact
- BGR Energy ties up with US Company for heat recovery systems
- Transgene Bio inks pact with Dr Reddy's for obesity drug
- Harley-Davidson ties up with ICICI Bank
- Dorf Ketal buys DuPont unit for \$40 million
- Reliance Media Works acquires iLabs

### **Cadila Healthcare completes Simayla buy**

**SIMAYLA Pharmaceuticals (Proprietary) Ltd, a South African Company has now become a 100% subsidiary of the Zydus Group.** Zydus Cadila has been continuously expanding and consolidating its global business. The group has been looking at long term revenue growth through both organic and inorganic routes. It had acquired Alpharma France, the French affiliate of one of the world's largest generic companies in 2003, Nippon Universal Pharmaceuticals Ltd of Japan and Quimica e Farmaceutica Nikkho do Brasil Ltd of Brazil in 2007, and Laboratorios Combix of Spain in 2008. It now plans to consolidate its position in key markets.

### **Walgreens inks outsourcing deal with Genpact**

**WALGREENS, US largest drugstore chain announced a 10-year outsourcing deal with India's Business Process Outsourcing (BPO) provider Genpact.** As part of the contract, Walgreens will shift its accounting processes and jobs to Genpact, a move that will involve transfer of at least 500 jobs. Under the deal, Genpact will acquire the Danville facility and maintain or grow employment levels over the duration of the agreement. The deal will help them improve cost productivity and will facilitate their growth strategy, while maintaining an agile and service-focused organization.

### **TCG Lifesciences, Pfizer ink drug research pact**

**TCG Lifesciences has entered into an exclusive collaboration with Pfizer a US-based pharma giant, to develop a portfolio of pre-clinical molecules for discovery of new drugs.** As part of the deal, Pfizer will own the compounds and TCG Lifesciences will receive research funding and milestone payments linked to the successful progression of molecules in the development cycle. The agreement will span more than two years where they may receive milestone payments throughout the cycle. This serves as a testament to our growing capacity and capabilities to provide high-end integrated drug discovery services in the global arena.

### **BGR Energy ties up with US Company for heat recovery systems**

**BGR Energy ties up with Nooter/Eriksen to create facilities for manufacturing waste heat recovery boilers.** The Heat Recovery Steam Generator (HRSG) systems use the exhaust heat from gas turbines to produce steam. The steam is then fed into another turbine to produce electricity. BGR Energy sees scope for selling these boilers in India as a number of gas-based power projects are about to be tendered out. With this tie-up and the consequent entry into HRSG systems, BGR Energy will be able to raise its in-house contribution to the power project contracts which it undertakes by about Rs 2 billion.

### **Transgene Bio inks pact with Dr Reddy's for obesity drug**

**TRANSGENE Biotek Ltd (TBL) has entered into a licensing and technology transfer agreement with Dr Reddy's Laboratories Ltd** to manufacture of Orlistat. Orlistat is a lipase inhibitor used for obesity management. The alliance combines TBL's technology with Dr Reddy's manufacturing skills and extensive global sales and marketing capabilities. Through this agreement, Dr Reddy's will gain worldwide rights to a unique technology for the manufacture and commercialization of Orlistat.

### **Harley-Davidson ties up with ICICI Bank**

**HARLEY-Davidson India and ICICI Bank inked an Memorandum of Understanding (MoU) for a broad spectrum of banking services.** Motorcycle enthusiasts will be able to avail themselves of ICICI Bank's financing options to buy Harley-Davidson products. The financing options will be for up to 85 % of the product value for five years at an interest rate of 11 %. They have also established a dealer financing relationship to ensure dealers can provide the full Harley-Davidson selection, experience and support to customers.

### **Dorf Ketal buys DuPont unit for \$40 million**

**DORF Ketal Chemicals has acquired DuPont Chemicals and Fluoro products for around \$40 million.** DuPont is one of the world leaders in the business of organic titanates and operates in more than 70 countries. The acquisition is to consolidate their position in newer product segments such as specialty catalysts and it has become the world's largest player in the organo-metallic titanates space. Dorf Ketal Chemicals expects to strike more such strategic acquisitions, in the range of \$100-200 million.

### **Reliance Media Works acquires iLabs**

**RELIANCE Media Works has acquired iLabs, a British-based company to strengthen its post-production facilities which includes processing, restoration, 2D to 3D conversion and other services to broadcasters and studios.** iLabs has been working on high-end processing for film, television, commercial and shorts' productions. The acquisition would provide next-generation services for the local film makers and broadcasters, while also catering to Hollywood and Hindi film businesses.