



**MARKET MOVEMENT**

Major Indices	Jan 29, 2010	Feb 05, 2010	% Change	Change
BSE Sensex	16,357.96	15,915.65	(2.70)	
NSE Nifty	4,882.05	4,757.25	(2.55)	

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

- **India, Hungary ink social security pact**
- **SEBI alters norms for debt, money market securities**
- **Government accepts 74% FDI in mobile TV services**
- **Government approved Rs 3 billion Rukura irrigation project**

**India, Hungary ink social security pact**

**INDIA and Hungary signed a Social Security Agreement that would benefit Indian IT professionals and others undertaking short-term employment in Hungary.** These professionals would now be able to make contributions to the social security net and it would be reimbursed to them after they finish their employment in Hungary. Earlier, Indian short-term employment professionals contributed to the social security net but could not get their money back after fulfilling their employment tenure. The period of short-term employment in Hungary is below five years.

**SEBI alters norms for debt, money market securities**

**SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) has modified provisions related to valuation of debt and money market instruments to ensure that portfolios of fund houses reflect the current market scenario.** All money market and debt securities, including floating rate securities, with residual maturity of up to 91 days or over 91 days, would have to be valued at the weighted average price at which they are traded on the particular valuation day. If securities with residual maturity of up to 91 days are not traded on a particular valuation day, they would be valued on amortization basis. SEBI has also directed mutual funds to provide transaction details, including inter scheme transfers of money market and debt securities, on a daily basis.

**Government accepts 74% FDI in mobile TV services**

**GOVERNMENT has accepted the recommendations of the Telecom Regulatory Authority of India (TRAI) for a composite foreign investment limit of 74 % in mobile TV services.** The acceptance to TRAI's recommendations is likely to pave way towards Government's plans to pursue mobile television technology on a fast track basis. The service provider should be allowed to choose the technology for mobile television services is also accepted.

**Government approved Rs 3 billion Rukura irrigation project**

**GOVERNMENT has approved the Rs 3 billion Rukura Medium Irrigation Project (MIP) in Sundergarh district of Orissa.** It will be implemented under the Accelerated Irrigation Benefit Programme (AIBP) launched in 1996-97. About 5,700 hectares of farm land is targeted to be

irrigated by the project. Apart from the major irrigation projects, the plan puts emphasis on the development of medium and minor irrigation projects, pani panchayat, flood control, drainage in waterlogged areas and coastal security. The aim is to provide irrigation facility to at least 35 % of cultivable land in every block in the next two years.

## INDUSTRY WATCH

- **Steel Companies sales jump 30%**
- **Auto, Retail, FMCG lead growth in sales**
- **Cement sales up on realty, infra push**
- **FDI inflows up 13% in December**

### **Steel Companies sales jump 30%**

**THE rise in construction activities fuelled volume growth for the metal, thereby indicating that recovery in demand is broad-based and is gathering pace.** Top private steel makers have begun the year on a strong footing with up to 30% growth in sales volume in January over the year ago period boosted by robust demand from automobile and consumer durable sectors. Companies across sectors are re-launching projects that were shelved at least for a year and this has increased demand for the metal. These include JSW Steel, Ispat Industries and Essar Steel etc.

### **Auto, Retail, FMCG lead growth in sales**

**AUTOMOBILES, Retail and FMCG sectors raced ahead of others recording a strong improvement in volumes.** While two-wheeler sales surged 60% Year-on-Year (YoY) during the quarter, car sales spurted 48%. The volume growth momentum continued for FMCG companies with nine large players reporting a 16% increase in sales. Sales growth is driving profitability suggesting resurgent demand, compared with flat sales growth over the previous two quarters.

### **Cement sales up on realty, infra push**

**ALL major cement companies witnessed growth in their sales, from 1% to 38%, in January vis-à-vis the same month last year.** Cement companies in India have witnessed strong volume growth in the first half of the current fiscal on the back of increased Government spending on housing, roads, ports and power stations and the momentum continues. HM Bangur, JK Lakshmi Cement, Ambuja Cement saw its sales rise to a huge extent.

### **FDI inflows up 13% in December**

**INDIA attracted Foreign Direct Investment (FDI) inflows of about \$1.5 billion during December 2009, an over 13% increase from about \$1.3 billion notched a year ago.** FDI inflows were almost flat at \$20.9 billion between April and December of this fiscal compared with \$21.1 billion in the corresponding period previous year. For the same period, housing and real estate raked in FDI equity inflows of nearly \$2.2 billion, while \$1.7 billion of inflows were channelized towards construction activities. The services sector (financial and non-financial services) brought in FDI to the tune of \$3.4 billion, and telecom accounted for another \$2.2 billion.

## CORPORATE HIGHLIGHTS

- **Toshiba seeks Indian suppliers for power turbine venture**
- **Genpact acquires US based Symphony**
- **NITC signs pact with Hindustan Petroleum**
- **BEML join hands with Siemens**
- **Indoco Watson Pharma alliance for US market**
- **RDPL inks pacts with Rajasthan Government**
- **Kiri Dyes acquires German company**
- **Zylog buys Canadian firm**

### **Toshiba seeks Indian suppliers for power turbine venture**

**TOSHIBA Corporation, Japan, which owns 75% of the power turbine Joint Venture Toshiba JSW Turbine and Generator Pvt Ltd, expects to start production from next January with a local content of about 20%. In order to price the products competitively, it plans to raise the local content to 50% by 2014, when the plant would have reached its rated capacity of 3,000 MW. For this, Toshiba has sought the cooperation of Indian companies, especially in the supply of alloy steels, special steels and castings. Toshiba JSW anticipates sales of \$400 million by 2014-15.**

### **Genpact acquires US based Symphony**

**GENPACT has announced the acquisition of Symphony Marketing Solutions (SMS), US based analytics and data management services provider. Apart from expertise in data integration, modelling and consulting, the acquisition will see transfer of 1,200 SMS employees spread across centres in India and the US to Genpact's payrolls. Indian firm employs more than 37,000 people globally. SMS is a provider of analytics and data management services with domain expertise in the retail, pharmaceutical and consumer packaged industries.**

### **NITC signs pact with Hindustan Petroleum**

**NATIONAL Institute of Technology, Calicut (NITC), has entered into a Memorandum of Understanding (MoU) with Hindustan Petroleum Corporation Ltd (HPCL) for taking up research in the application of nanotechnology in fuels. The project aims at producing new types of diesel and bio-diesel, modified by catalytic nano-particles, to produce better fuel performance and ensure considerable low emissions as compared to conventional fuels.**

### **BEML join hands with Siemens**

**BEML Ltd and Siemens Ltd have signed an agreement to jointly manufacture and market stainless steel coaches for suburban rail systems. Siemens will manufacture the high-performance bogies and three-phase Insulated Gate Bipolar Transistor (IGBT) propulsion system, which it is already supplying to Railways. BEML Ltd. will make stainless steel Electric Multiple Units (EMUs). As per the Memoranda of Association (MoA), the two will jointly bid for purchase orders from Indian Railways and suburban trains operators such as Mumbai Railway Vikas Corporation Ltd. There is a growing demand for EMU coaches as major cities, especially Mumbai, is expanding their suburban rail networks.**

### **Indoco Watson Pharma alliance for US market**

**INDOCO Remedies Ltd has inked an alliance with Watson Pharmaceuticals Inc to develop and manufacture generic sterile products for the US market. Indoco will develop,**

manufacture and supply products to Watson for the US market, and the size of these products is \$679 million. Watson Pharmaceuticals deal had the potential to propel Indoco's international business revenues to greater heights. The two companies have agreed that development costs, including the bio-study, clinical trials costs, legal fees and net profits from the sale of these products would be shared by Watson and Indoco in the agreed proportion. Indoco would explore the option of adding new products and territories to this initial arrangement.

### **RDPL inks pacts with Rajasthan Government**

**RAJASTHAN Drugs and Pharmaceuticals Limited (RDPL), State owned drug manufacturer has joined hands with Rajasthan medical department and cooperative department to roll out 105 generic medicine stores across the state within one month.** The state cooperative department would be the nodal agency for this project. The state cooperative department would set up generic drug store in every Government hospital at the space provided by the medical and health department while RDPL would supply drugs to these stores.

### **Kiri Dyes acquires German company**

**KIRI Dyes and Chemicals Ltd (KDCL) has concluded the acquisition of German multinational Dystar for Rs.13 billion.** The buyout was through its group firm Kiri Holdings Singapore. Dystar Group is engaged in the business of dyes and related solutions. Kiri Holding Singapore Pvt. Ltd. entered into asset purchase agreement with the Insolvency Administrator in Germany in December, 2009.

### **Zylog buys Canadian firm**

**ZYLOG Systems has announced the acquisition of Brainhunter, a consulting and engineering services company in Canada for C\$35 million.** It is done through the Companies' Creditors Arrangement Act (CCAA) bidding process where Zylog emerged as the successful bidder. Brainhunter has major presence in Government, telecom, BFSI and oil & pipeline verticals. Zylog expects to establish a strong footprint in Canada, service existing customers there and diversify its revenue streams by offering comprehensive IT solutions to the customers of Brainhunter other than consulting services.