



MARKET MOVEMENT

Major Indices	Mar 12, 2010	Mar 19, 2010	% Change	Change
BSE Sensex	17,166.62	17,578.23	2.39	
NSE Nifty	5,137.00	5,262.80	2.44	

INDIAN ECONOMY AT A GLANCE

POLICY WATCH

- **India, Russia sign atomic energy deal**
- **Government clears project for pollution management**
- **Government nod Foreign Education Bill**
- **IRDA draws Economic Capital norms**

India, Russia sign atomic energy deal

INDIA and Russia have signed an Inter-Governmental Agreement on Cooperation in Atomic Energy and agreed to a roadmap for construction of nuclear power plants. The Russians are already in advanced stages of commissioning the first phase of the Koodankulam project in Tamil Nadu and have been offered the Haripur site in West Bengal for a second nuclear project in the country. In Tamil Nadu, the two VVER (Russian version of the Pressurized Water Reactor) units of 1,000 MWe each are coming up with assistance from Russian state-owned firm Atomstroy export, which would be involved in the construction of the new units as well.

Government clears project for pollution management

THE proposal for the World Bank-assisted Project on Capacity Building for Industrial Pollution Management was approved by the Government. The project aims to develop a national programme for the remediation and rehabilitation of polluted sites by undertaking four sites in Andhra Pradesh and West Bengal on a pilot basis. The estimated cost of the project, to be implemented for five years, is \$75.39 million. The project will support the development of an institutional and methodological framework for rehabilitation of highly polluted abandoned sites and build human and technical capacity in State agencies for taking projects for reducing the risk of contamination for nearby population. It will also support measures for public awareness and community education.

Government nod Foreign Education Bill

GOVERNMENT unanimously approved a Bill that would allow foreign education providers to set up campuses in India and offer degrees. The Foreign Educational Institutions Bill will allow foreign universities to invest at least 51% of the total capital expenditure needed to establish the institute in India. The Bill aims to regulate the entry, operation and maintenance of

quality assurance and prevention of commercialization by foreign educational institutions, besides protecting the interest of the student community

IRDA draws Economic Capital norms

INSURANCE REGULATORY DEVELOPMENT AUTHORITY (IRDA) has asked life insurers to initiate the process of calculating Economic Capital from March 2010. Economic capital is calculated by determining the amount of capital that insurers need to ensure, depending on the nature of business they write. This is a step towards risk-based capital. The regulator will review it at the end of October. The calculation would be only theoretical at the moment. They would have to also give the actuarial calculation of solvency, based on the current norms.

INDUSTRY WATCH

- **Forex reserves up at \$279.708 billion**
- **Capital goods, consumer durables lift Jan industrial growth 16.7%**
- **Inbound tourism gets a boost in February**
- **India Inc's hiring activity up 17% in February 2010**

Forex reserves up at \$279.708 billion

COUNTRY'S Foreign Exchange reserves climbed up to \$279.708 billion. Foreign currency assets, moved up to \$255.321 billion, compared to \$254.072 billion. Gold reserves, stood unchanged at \$17.920 billion while Special Drawing Rights (SDRs) rose marginally to \$5.069 billion. Country's reserve position in the international monetary fund increased to \$1.398 billion.

Capital goods, consumer durables lift Jan industrial growth 16.7%

INDIAN industry has posted a robust 16.7 % growth in January in the output of capital goods and consumer durables. The 16.7 % Year-on-Year (Y-o-Y) rise in the official Index of Industrial Production (IIP) in January has been partly aided by a low base; the same month of 2009 saw a growth of just on 1%. January marks the fourth consecutive month of double-digit industrial growth, with the peak 17.6 % being touched in the previous month. The cumulative growth for April-January works out to 9.6 %, which is more than the 3.3 % for the corresponding 10 months of 2008-09. Production of capital goods was up 56.2 % in January Year-on-Year (Y-o-Y), on top of an annual increase of 15.9 % for the same month of the previous fiscal.

Inbound tourism gets a boost in February

FEBRUARY 2010 saw a renewed boost in the number of foreign tourist arrivals. 601,000 foreign tourists arrived in February. It brought in gross earnings of \$1.4 billion. Low air fares and Competitive rates of hotels have been the contributing factors to the growth. Popular destinations of foreign tourists are predictably the Delhi-Agra-Jaipur circuit, Kerala and Goa.

India Inc's hiring activity up 17% in February 2010

INDIA Inc's hiring activity was up 17% in February with telecom and auto sectors leading the rebound. A Year-on-Year (Y-o-Y) comparison of the job index shows a 14% growth in February this year compared to the same month last year. Recruitment activity accelerated in February, reflecting underlying strength and positive momentum in the job market. Hiring activity for the top 10 industry sectors saw positive growth in February with telecom registering a 27% growth in the reviewed month compared to same month last year. The recruitment in IT-software and auto sectors moved up by 24% and banking and insurance rose 14% in February.

CORPORATE HIGHLIGHTS

- **Renault-Nissan to continue with multi-partner strategy for India**
- **Kiri Dyes buys DyStar of Germany for €50 million**
- **Renault-Nissan alliance inaugurates Chennai plant**
- **Reliance joins hands with US sports Company IMG Worldwide**
- **Micro Tech ties up with Belgian firm for Europe**
- **Maruti signs MoU with ABT Ltd**
- **Strides Arcolab buys stakes in Onco JVs with Aspen Pharma**
- **Dow Jones in pact with Airtel for news distribution**

Renault-Nissan to continue with multi-partner strategy for India

RENAULT-NISSAN, the alliance of the French and Japanese car majors (Renault has 44 % stake in Nissan) has several partners in India i.e. Mahindra & Mahindra (the Joint Venture (JV) produces the Logan car), Bajaj (to produce a ultra-low cost car), Ashok Leyland (for light commercial vehicles, power trains, R&D and a possible small car) and with Hover Automotive (for marketing). All the alliances would continue because they are doing different things with different partners and there is no overlap. Moreover, multiple partnerships with Indian companies allow them to learn more about India especially in frugal engineering.

Kiri Dyes buys DyStar of Germany for €50 million

KIRI Dyes and Chemicals (KDCL) has acquired DyStar of Germany for €50 million. The buyout will be executed through a special purpose vehicle, Kiri Holding Singapore, along with KDCL's Joint Venture (JV) partner, Longsheng Group of China. The deal includes the acquisition of DyStar's 200 live patents, IP rights, brand names, trademarks and subsidiaries in 22 countries. Post-acquisition, KDCL will have a debt of €90 million including that of DyStar, and assets of €450 million. Longsheng Group, which holds 7.5 % in KDCL, will pick up 18.75% in DyStar.

Renault-Nissan alliance inaugurates Chennai plant

RENAULT-NISSAN, a French-Japanese auto alliance inaugurated its manufacturing plant here in which the two partners will together be investing Rs 45 billion to produce 400,000 units by 2015. The new plant in Chennai is an intangible symbol of our growth strategy in India. The alliance has made an initial investment of Rs 29 billion with a capacity of 200,000 units

annually that can be scaled up to 400,000 units. It has already started trial production at the plant and will be rolling out the latest generation compact car Micra from the Nissan stable, which will be available in the India by July this year.

Reliance joins hands with US sports Company IMG Worldwide

RELIANCE Industries Ltd on entered into an equal Joint Venture (JV) with US-based sports marketing Company **IMG Worldwide**, for developing, marketing and managing sports and entertainment in the country. The Joint Venture (JV) **IMG Reliance Pvt Ltd** will create infrastructure and coaching facilities to channelize sporting potential in the country. It will also create and operate major sports and entertainment assets. The venture will develop assets modeled on the sporting, commercial and investment structures present in mature markets globally.

Micro Tech ties up with Belgian firm for Europe

MICRO Technologies, a mobile security solutions provider signed a strategic alliance with Brussels based **Advisers Global** to explore the potential of technology sales in Europe. The Company is targeting 11 million mobile customers in Belgium, which will be expanded later to other parts of Europe. Micro Technologies currently has presence in Israel and Japan, two quality sensitive mobile security markets. The Company is in talks with a number of existing mobile service providers for wider penetration of potential markets.

Maruti signs MoU with ABT Ltd

MARUTI Suzuki India Ltd (MSIL) has signed a Memorandum of Understanding (MoU) with **ABT Ltd**, a Coimbatore based Company for conducting Maruti certified courses in automobile servicing at the **ABT Technical Institute** in the city. **ABT Ltd**, part of the **Sakthi Sugars** group, is one of the major dealers for Maruti vehicles in Tamil Nadu with sales outlets in multiple locations. It has established a training centre styled **ABT Technical Institute** for providing in-house training in automobile servicing.

Strides Arcolab buys stakes in Onco JVs with Aspen Pharma

STRIDES Arcolab has bought the stakes owned by South African generics drug major **Aspen Pharma-care** in two 50:50 cancer drug making Joint Venture (JV) **Onco Therapies** in India and **Onco Laboratories** in Cyprus for \$117 million. As part of the deal, Strides would also license existing and future oncology products to **Aspen Pharma-care**, an **Aspen Group** Company, for certain territories.

Dow Jones in pact with Airtel for news distribution

MEDIA conglomerate **Dow Jones** has entered into a pact with leading telecom services provider, **Bharti Airtel** to make financial news available to the latter's clients. Under the pact, the media firm will provide financial news from **The Wall Street Journal** and **Dow Jones News** wires to Airtel customers. The product, named as **The Wall Street Journal India Mobile** application, is free of charge for customers. **Bharti Airtel** has a customer base of 121.7 million mobile customers in India.