



MARKET MOVEMENT

Major Indices	Sep 19, 2009	Sep 25, 2009	% Change	Change
BSE Sensex	16,741.30	16,693.00	(0.28)	
NSE Nifty	4,976.05	4,955.00	(0.42)	

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- **SEBI amends takeover norms, offers anchor investor facility to IDR issues**
- **Government approves 13 FDI proposals worth US\$ 81.9 million**
- **Central Excise launches automation project in Hyderabad**
- **Government invest Rs 90 billion for expansion of Vizag Steel Plant**

SEBI amends takeover norms, offers anchor investor facility to IDR issues

CAPITAL market regulator Securities and Exchange Board of India (SEBI) amended the takeover regulations and offered the facility of anchor investors to Indian Depository Receipts (IDR) issues. This will raise the attractiveness of the issues meant to attract foreign companies to invest in Indian equities market. An anchor investor gives smaller investor confidence that the shares will be actively traded in the market. The board of the regulator also decided that at least 30% of issue size of such issues will be reserved for allocation to retail individual investors. In order to protect the interest of shareholders, SEBI has made it mandatory for all listed companies, which go for corporate restructuring, to disclose their accounting statement to the stock exchanges in line with the applicable accounting standards. The regulator has also increased the threshold limit of total holding for disclosures on acquisition or divestment of up to 2% from current 15%-55% to 15%-75%.

Government approves 13 FDI proposals worth US\$ 81.9 million

THE Government has approved 13 Foreign Direct Investment (FDI) proposals worth US\$ 81.9 million based on the recommendations of the Foreign Investment Promotion Board (FIPB). The Government has cleared the proposal of Essel Group-promoted Dish TV India, aimed at bringing in foreign inflows of US\$ 50.7 million. Sterlite Technologies' plan to issue and allot warrants valued at US\$ 21.64 million on preferential basis has also been granted. Other approved proposals are those of Sistema Shyam Teleservices, General Motors Acceptance Corp, S&S Media (India) Enterprises of Bangalore, Taneja Aerospace, Ramboll Singapore Pte, Kludirak India, InfxQ Knowledge Services, L Occitane Singapore, Strata Geosystems and Devas Multimedia.

Central Excise launches automation project in Hyderabad

THE Central Board of Excise and Customs (CBEC) has launched automation of Central Excise and Service Tax (ACES) in Hyderabad Zone. It is part of the national roll-out of the automation of ACES. It is a Mission Mode Project (MMP), developed by the CBEC, under the larger national e-governance plan. The ACES aims to automate all major processes such as online registration and amendment of registration details, electronic filing of documents such as returns, claims, permissions

and intimations; request for provisional assessment, refund, export documents and additional facility of filing through the offline downloadable utility of returns. The facility would also help assesses in online tracking of the status of applications, claims and permissions; online facility to view documents such as registration certificate, returns, show cause notice, order-in-original and information on credits, debits, liabilities and status of bonds.

Government invest Rs 90 billion for expansion of Vizag Steel Plant

GOVERNMENT of India has decided to invest about Rs 90 billion for the expansion of Vizag Steel Plant. The Public Sector Undertaking (PSU) firms NTPC and BHEL would set up a power plant equipment manufacturing unit in Chittoor district with an investment of Rs 60 billion. Renowned footwear manufacturing Company Apache has also taken up expansion of its existing facility in Nellore district. Government would encourage industrialists and that the World Bank has named Hyderabad as a business- friendly city, the industrialists to make investments in the state.

INDUSTRY WATCH

- **Growing pharma market makes India a clinical trial destination**
- **Telephone users touch 494 million mark in August**
- **FII's continue to have voracious appetite**
- **Horticulture boosts agriculture income, export opportunities**

Growing pharma market makes India a clinical trial destination

THIS commercial component of India is also influencing India's attractiveness as a clinical trial destination. The product patent regime set up in 2005 as one of the primary reasons for the potential of growth. The patent infrastructure in the country has been upgraded over the past few years to support new laws. Along with the growing market, the allied services to the pharmaceutical industry are also growing at 21% annually as compared to 7.5% globally. Due to its proven track record of managing IT/ITES work and growing domain expertise, India has emerged as the hub for outsourcing services allied to the pharmaceutical industry. India also offers a significant cost advantage as compared to developed and emerging economies. The cost of these activities in India is typically 40%-60% lower than in developed countries and around 10%-20% lower than in other emerging economies.

Telephone users touch 494 million mark in August

THE total telephone subscribers in the country touched 494-million mark during August, with the wireless subscribers reaching 456 million. The total tele-density was at 42.27 at the month-end. The wireless users increased by 15.08 million during the month. The wireless subscribers grew at 3.42% during the month from over 441 million in July. The wireless tele-density touched 39.08 in August. The wireline subscriber base declined by 0.09 million in August and the total wireline users reached 42.27 million mark.

FII's continue to have voracious appetite

THE buying spree of Foreign Institutional Investors (FII) continues as their net inflows for the current calendar year crossed the \$10-billion mark. The total FII inflow for 2009 is \$10.2 billion. In the current fiscal (2009-10), the net inflows by FIIs crossed \$11 billion. Between March and September, corporates raised Rs 216.91 million through Qualified Institutional Placements (QIPs). The confidence of foreign investors in Indian equities is much more now relative to 2007. This is

because on the macro economic level India is doing well. High-frequency data such as those on cement dispatches, steel, freight and airline travel point to a steady recovery of Indian economy.

Horticulture boosts agriculture income, export opportunities

INDIA, one of the world's largest producer of fruit and vegetables, has strengthened its position in the world fruit market by becoming the largest grower of banana in the world, largely due to renewed emphasis on increasing fruits and vegetables production through use of better technology and marketing linkage as laid down under the National Horticulture Mission (NHM). With the production of more than 28.2 million tonne of fruits and 66 million tonne of vegetables, the country has emerged as the second largest producer of fruits and vegetables in the world next only to Brazil. About 20 million hectares of agricultural land have been already covered under horticulture crops, which results in yield of 91 million tonne. Though these crops occupy only around 10% of the cropped area they contribute over 18% to the gross agricultural output in the country.

CORPORATE HIGHLIGHTS

- **TSBI in pact with panchayats for NREGA wage payments**
- **Toyota buys stake in Tube Investments**
- **IDBI Bank, Chevrolet sign MoU for vehicle loan financing**
- **Godrej Agrovet, ACI to pump in \$12-13 million into Bangladesh JV**
- **Technopark ties up with Dalian Hi-tech**
- **GM ties up with Reva**
- **Prizm buys Reliance Money's POS**
- **Nissan plans compact car hub in Chennai**

TSBI in pact with panchayats for NREGA wage payments

THE State Bank of India signed a Memorandum of Understanding (MoU) with the Panchayati Raj Department of Orissa Government for launching electronic benefit transfer (EBT) scheme for payment of National Rural Employment Guarantee Act (NREGA) wages and other social security benefits in all the 6,234 gram panchayats of the State. The bank will establish banking outposts in all the gram panchayats in the form of Customer Service Points making thereby, the concept of doorstep banking a reality in the State. The project will be initially launched in 1,000 gram panchayats in 10 districts where there were more number of NREGA beneficiaries. Based on the experience in the first phase, the project will be extended to the remaining gram panchayats over the next 10 to 15 month period.

Toyota buys stake in Tube Investments

JAPAN'S Toyota Group has bought a token 1.5% stake valued at Rs 190 million in Tube Investments of India (TII), the flagship Company of \$3-billion Murugappa Group. Rs 29 billion TII makes precision steel tubes and strips, car doorframes, automotive and industrial chains and bicycles Nagoya, Japan, based Toyota Tsusho Corp acquired 2.70 million shares at Rs 70.77. This values TII at over Rs 13 million. Elara Capital PLC (DR) sold around 2.6 million shares in the market at Rs 70.80 a share. Toyota Tsusho Corporation, a member of the Toyota Group, is one of the ten largest trading companies in the world.

IDBI Bank, Chevrolet sign MoU for vehicle loan financing

IDBI Bank and Chevrolet Sales India Pvt Ltd (CSIPL) have entered into an agreement for providing auto finance to prospective customers of the latter. CSIPL and its dealer network will collaborate with IDBI Bank for the purpose of retail/wholesale activation in order to facilitate vehicle business. The Memorandum of Association (MoU) will facilitate prospective customers of CSIPL with vehicle finance at attractive terms. The loan facility will be extended up to seven years with maximum funding on 'on road price' and faster processing. The tie-up will benefit both -- IDBI Bank in further strengthening its position in the retail loan space and CSIPL in leveraging the retail financing strength and reach of the bank.

Godrej Agrovet, ACI to pump in \$12-13 million into Bangladesh JV

GODREJ Agrovet Ltd (GAVL) plans to pump in USD 12-13-million, along with its partner, into its Bangladesh Joint Venture (JV), ACI Godrej Agrovet, to expand capacity. ACI Godrej Agrovet is a 50:50 Joint Venture (JV) between Godrej Agrovet and ACI Limited of Bangladesh and manufactures poultry, fish, shrimp and cattle-feed besides having hatchery and breeding farm operations. The Company plans to expand its animal feeds capacity from the present 120,000 TPA to 250,000 TPA. This is expected to be done in about 6-months time. The Company is targeting a more than Rs 2 billion jump in its animal feeds business from Rs 9.6 billion in FY 09 to around Rs 11.5 billion in FY 10.

Technopark ties up with Dalian Hi-tech

TECHNOPARK has entered into a Memorandum of Understanding (MoU) with the Dalian Hi-tech Zone, China, for technical cooperation. DHC has been providing services to global corporations for technology-driven business transformation initiatives. It provides end-to-end IT services to global enterprises in the US, Europe, Japan, and China through a wide range of services addressing the IT outsourcing needs of clients. DHC's expertise spans across industries such as municipal services, finance, manufacturing, telecommunication, transportation and media.

GM ties up with Reva

GM India and Reva Electric Car Company (RECC) has announced collaboration, under which they would jointly develop electric vehicles (EVs) for the home market. The Company is initially looking to only deploy Reva's EV technologies on GM's small-car platforms in the country, which includes the U-Va, Spark and another small car to be launched soon. GM's ability to develop platforms and Reva's capability in developing electric drive-trains and control systems will result in the consumer having a wider choice of electric vehicles. The collaboration would enhance research and competition in the field of electric vehicles in India.

Prizm buys Reliance Money's POS

PRIZM Payment Services Pvt Ltd has acquired Reliance Money's Point-of-Sale (PoS) services business. Following the acquisition, the number of POS terminals under Prizm's fold has increased by 1,500 to 5,500. Reliance Money, over the past 15 months, had set up its Transaction Payment Gateway, established connectivity with international card issuing/settlement organizations such as Visa/ MasterCard and developed a franchisee base of merchants and POS installation and support services. They have plans to ramp up the number of POS terminals to 20,000 by March-end. Next year, they plan to have a network of 100,000 terminals in place.

Nissan plans compact car hub in Chennai

JAPAN'S Nissan Motor plans to make India one of its key manufacturing locations for its compact cars, which include products such as Micra. Low operational costs and the growing importance of India in compact car manufacturing makes it an attractive proposition to make India a hub. It will invest close to 350 billion yen this year across the globe and India may get a major chunk of the investments. Recently, it announced plans to shift the production of Micra compact car from UK to India and from Japan to Thailand. India and Thailand will be the markets from where it will source Micra from 2010. The Company is building a plant in Chennai, Tamil Nadu, with an investment of Rs 45 billion that will have a capacity to produce 400,000 cars. That plant is an equal Joint Venture between Nissan and Renault.