



MARKET MOVEMENT

Major Indices	Aug 13, 2009	Aug 21, 2009	% Change	Change
BSE Sensex	15,518.49	15,240.83	(1.79)	
NSE Nifty	4,605.00	4,528.80	(1.65)	

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- **Assam annual Plan fixed at Rs 60 billion**
- **Government approves 10 FDI Proposals worth Rs 11.24 billion**
- **Government raises states borrowing limit**
- **Pension for farmers**
- **India, Nepal agree for new trade treaty**

Assam annual Plan fixed at Rs 60 billion

THE annual Plan for Assam for 2009-10 has been fixed at Rs 60 billion. The State has proposed to invest more in development schemes for the welfare of minorities and the backward class. Rural growth centers for small industries would be established and an incentive scheme would be launched for small entrepreneurs and artisans. Efforts would be made to improve the infrastructure in hill area, BTC area and the area of autonomous councils.

Government approves 10 FDI Proposals worth Rs 11.24 billion

THE Government has approved 10 Proposals of Foreign Direct Investment (FDI) amounting to nearly Rs 11.24 Billion, based on the recommendations of Foreign Investment Promotion Board. Those approved include, a proposal by SMS Siemag Aktiengesellschaft, Germany, to set up a Joint Venture (JV) Company to carryout the activities relating to manufacture, sale and commissioning of Single Stand Reversing Cold Mills, Skin Pass Mills, Compact Cold Mills and Strip Process Lines. This proposal by SMS Siemag Aktiengesellschaft is expected to infuse FDI worth Rs. 30 Million.

Government raises states borrowing limit

THE Government approved raising states' borrowing limit by 0.5% points to 4% of their Gross Domestic Product (GDP) for the fiscal year to March 2010. The move is aimed at helping states to step up spending to stimulate their economies.

Pension for farmers

GOVERNMENT launched a new pension scheme for Farmers. About 10,000 rice farmers will get a pension of Rs 300 a month in the first batch and farmers growing other crops will be brought under the scheme in the next stage.

India, Nepal agree for new trade treaty

INDIA and Nepal reached a new trade treaty on August 21 and an agreement to control unauthorised trade, particularly from a third country, aimed at widening the bilateral economic engagement. The trade treaty, which has been negotiated for the last two years, aims at enlarging

the scope of the existing institutional framework, under which India gives duty-free access to its market to goods manufactured in Nepal. However, the trade treaty and the agreement to control unauthorised trade would be formally signed later

INDUSTRY WATCH

- **India's industrial output surges 7.8% in June**
- **Demand for precision machines picking up**
- **Marketing portal for textiles launched**
- **IT-ITeS Sector in South clocks 15% rise in operating income**
- **Hiring Gains Momentum in Real Estate and Retail Sector**

India's industrial output surges 7.8% in June

INDIA'S industrial output surged 7.8% in June 2009 versus the same period in 2008, faster than the expected growth that was led by higher demand for consumer goods and increased mining activity. The figures have raised for three straight months now and this is the highest output recorded since Feb 2008. While the output of consumer durable goods such as home appliances went up by 15.5 % the infrastructure sector grew 6.5% from a year earlier.

Demand for precision machines picking up

THE demand for machines needed by the die and mould, and sheet metal industries, which had contracted earlier this year mainly due to slowdown in the automobile sector, is picking up with the revival of the industrial sector. MC Craftsman Machinery Pvt Ltd (MCCM), Coimbatore, a subsidiary of the Mitsubishi Corporation, Japan anticipates greater demand for the precision machines being marketed by his Company in India because of foreign car makers' increasing emphasis on localisation of components with a view to achieving price competitiveness. Machines such as Electrical Discharge Machines (EDMs) and Laser cutting machines (laser) needed by die and mould and sheet metal industries, which are produced by Mitsubishi Corporation would be marketed and serviced by the Company.

Marketing portal for textiles launched

AIMED at generating demand for Indian textiles, Government launched an online marketing and sales portal. The e-marketing platform has been developed by the Central Cottage Industries Corporation of India and the Handicraft and Handlooms Export Corporation of India. The portal will host more than 1,000 wide ranging handicrafts and handlooms products with specifications, including origin and place of production, along with high quality graphical display, with a single window gateway for procurement. It will also provide e-payment facility through major debit/credit card in a secured environment, and offer online tracking of the shipment.

IT-ITeS sector in South clocks 15% rise in operating income

THE IT and IT-enabled Services (ITeS) companies based in the southern region have reported an operating income of about Rs 600 Billion, during the fiscal year 2008-09, a 15 % increase over the previous year. Over 230 listed IT and ITeS companies in the country, more than 44 % have their registered offices in the southern region. Andhra Pradesh aims to achieve Rs 690 Billion in software export turnover and seeks to create 0.3 million direct employment. The IT industry of Kerala has an annual turnover of about Rs 15 Billion, employing about 60,000 people.

Hiring Gains Momentum in Real Estate and Retail Sector

INDIA Inc's hiring activity picked up by 1.3% in July with improvement in recruitment in IT, real estate and retail sectors. It edged up by 1.3% to 727 in July compared to 718 in June. On a three monthly moving average, the index inched up from 686 in June to 703 in July with industries including real estate, semiconductors, banking, auto and IT, witnessing an improvement.

CORPORATE HIGHLIGHTS

- **Dagger Forst Tools transfers SBUs to Motherson Advanced Tooling Solutions**
- **Defiance forms strategic partnership with Lodestone Management Consultants**
- **Tata Chemicals buys 4 other group companies stakes in Rallis**
- **Shree Shubham pact with DCB**
- **Travelocity acquires Travelguru**
- **Tata Tele woos Japanese Companies on DoCoMo strength**
- **IFFCO Tokio targets 16% growth in gross written premiums**
- **L&T - MHI to supply Boilers, Turbines and Generators for JPVL' Power Project**

Dagger Forst Tools transfers SBUs to Motherson Advanced Tooling Solutions

DAGGER Forst Tools Ltd has completed the transfer of its Specified Business Undertakings (SBUs) to Motherson Advanced Tooling Solutions Ltd. With this sale and transfer of undertakings, the Board of Directors feels that the Company will be able to diversify to more profit making sectors in the same line of business including machining of castings (which is already under implementation). Dagger Forst Tools Ltd facilities in Aurangabad, Gujarat and Thane have been transferred for total consideration of Rs 5.175 billion to Motherson Advanced Tooling Solutions Limited.

Defiance forms strategic partnership with Lodestone Management Consultants

HINDUJA group Company, Defiance has announced a strategic partnership with Lodestone Management Consultants, a Europe-based global Management and Enterprise consultancy firm, to offer high value ERP services to global customers across Europe. The partnership will harness Lodestone's significant capability in SAP consulting and Defiance's expertise in SAP technology, implementation and offshoring. The partnership aims to create a new and superior value proposition to global customers, by providing Consulting and IP-led Enterprise solutions on a global delivery model, to significantly reduce their cycle time and costs on Enterprise solutions while allowing them to focus on transformation initiatives for business agility.

Tata Chemicals buys 4 other group companies stakes in Rallis

TATA Chemicals has bought out the stakes of Rallis India, and in the process increased its holding to 45.08 %. It paid a total of Rs 3.64 Billion for acquiring the 35.68 % stake held in Rallis India. Tata Chemicals had a strong presence in the crop nutrition business while Rallis India was among the leaders in the crop protection business.

Shree Shubham pact with DCB

SHREE Shubham Logistics Ltd (SSLL) has announced the signing of Memorandum of Understanding (MoU) with Development Credit Bank (DCB) providing post-harvest credit facilities to farmers against warehouse receipts. SSLL will provide collateral management to DCB for extending post-harvest credit facilities to farmers, agri-enterprises and processors. SSLL, currently managing a complete value chain at its own agri-logistics parks (ALPs) at 10 locations in Rajasthan and Gujarat and expanding its operation to Madhya Pradesh and Maharashtra, proposes to launch 41 own agri-logistics parks (ALPs) across the country.

Travelocity acquires Travelguru

U.S. based online travel firm Travelocity Global has acquired Indian hotel distribution network, Travelguru. The acquisition, which will expand Travelocity's online travel business in India, will help the firm access more than 4,000 hotels in India, Roshan Mendis, regional vice president of Travelocity Asia Pacific, told Reuters.

Tata Tele woos Japanese Companies on DoCoMo strength

TATA Teleservices (TTSL) is flaunting its NTT DoCoMo connection to win enterprise-wide telecommunication deals from Japanese Companies for Indian operations. NTT DoCoMo provides enterprise services to several Fortune 500 Japanese companies, some of which have large-scale operations here. These include Sony, Toyota, Fujitsu etc.

IFFCO Tokio targets 16% growth in gross written premiums

IFFCO Tokio General Insurance is targeting a 16% growth in its Gross Written Premiums (GWP) in the current fiscal. They are planning to underwrite business to the tune of Rs 17.5 Billion in 2009-10, against Rs 15.15 Billion in the last financial year. The Company had clocked a growth of 23 % in 2008-09 and posted a net profit of Rs 250 Million in the last fiscal. Company has launched health insurance product called 'Swasthya Kavach'. The policy offers emergency medical assistance, including the option of airlifting policy holders in an emergency at no extra cost.

L&T - MHI to supply Boilers, Turbines and Generators for JPVL' Power Project

JAYPEE Group has entered into an agreement with Larsen and Toubro - Mitsubishi Heavy Industries Limited (L&T-MHI) (JV between L&T Ltd. and Mitsubishi Heavy Industries Limited, Japan) for the supply of super-critical Boiler, Turbines and Generator (BTG) packages, for the Jaypee Nigrie Super Thermal Power project being set up in the Singrauli district of Madhya Pradesh. The approximate cost of BTG package which is Rs 40 Billion has been awarded through International Competitive Bidding (ICB). Jaiprakash Power Ventures Ltd (JPVL), the designated power vehicle of Jaypee Group and Larsen & Toubro (L&T) signed an agreement for the supply and erection of the Boiler and Steam Turbine and Generator (STG) islands for the 2x660MW Jaypee Nigrie Super Thermal Power Project.