



MARKET MOVEMENT

Major Indices	Apr 23, 2010	Apr 30, 2010	% Change	Change
BSE Sensex	17,694.20	17,558.71	(0.76)	
NSE Nifty	5,304.10	5,278.00	(0.49)	

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- Government drafts rules for e-waste recycling
- Government approves Rs 4.73 billion green energy project
- Government opens Income Tax units in Singapore, Mauritius
- Tax relief to various industries
- Amendment in Minimum Wages Act to benefit contract, daily wage workers
- Government eases curb on sugar mills to sell monthly quota

Government drafts rules for e-waste recycling

GOVERNMENT has announced draft rules for handling of e-waste by defining the responsibilities of stakeholders such as producers, dealers and recyclers among others. According to the draft E-waste (Management and Handling) Rules 2010, the producer of electronic goods including household appliances, computers, toys and medical equipment shall be liable for collecting any e-waste generated while manufacturing and will have to channelize it for recycling. They will set up collection centres for e-waste generated from 'end of life' of their products in line with the principle of extended producer responsibility' and ensure that such e-waste is channelised to a registered refurbisher.

Government approves Rs 4.73 billion green energy project

GOVERNMENT approved a project to promote use of renewable energy in the Ladakh region at a total cost of Rs 4.73 billion. The project Ladakh Renewable Energy Initiative envisages setting up 30 small/micro hydel projects aggregating 23.5 MW capacity, about 300 Solar Photovoltaic (SPV) power plants of 5-100 KW capacity, 2,000 SPV home lighting systems and about 40,000 solar thermal systems such as water heating, solar cookers, solar passive buildings, and solar green house. The implementation of the plan will start in June and will be completed by December 2013.

Government opens Income Tax units in Singapore, Mauritius

GOVERNMENT has set up two income tax overseas units at its missions in Singapore and Mauritius and will create such units in eight more countries to facilitate exchange of information on tax-related issues. To facilitate exchange of information, two income tax overseas units within their missions have been created in Singapore and Mauritius and employees have been posted there. Besides, it has also been decided to create eight more such units at the US, Britain, the Netherlands, Japan, Cyprus, Germany, France and the UAE missions.

Tax relief to various industries

GOVERNMENT has decided to lower excise duty on hand-made cheroots priced up to **Rs 3 per stick to 10% following demands from members and the industry.** Abatement (tax rebate) has been increased on construction of real estate complexes to 75% from 67% of the gross value of property that includes land value. Government announced tax breaks for construction of hospitals with at least 100-bed anywhere in the country. Government has announced a slew of concessions worth up to Rs 4 billion for coffee growers, local tobacco industry, hospitals, cancer drugs and urban housing for poor.

Amendment in Minimum Wages Act to benefit contract, daily wage workers

AMENDMENT in the act ensures mandatory payment of wages through banks and cheques to all labourers in the organized and unorganized sector who are in continuous employment and who have wages of more than Rs 3,000 per month. This will benefit the contract workers, daily wage workers and all the workers in continuous employment even in unorganized sector and therefore, these workers will get their full wages through their bank account

Government eases curb on sugar mills to sell monthly quota

GOVERNMENT allowed sugar millers to sell their non-levy quantity anytime during a month. Non-levy, or free-sale sugar, is sold by millers in the open market, but the quantity each mill can sell is fixed by the Federal Government on a monthly basis. Government had earlier asked millers to sell nearly half of the monthly quota in each fortnight of the month. India has released 1.256 million tonnes as normal non-levy sugar quota and allowed mills to sell 200,000 tonnes of imported white sugar.

INDUSTRY WATCH

- **Core sector grows 7.2 % in March**
- **Non life insurers clock 13.4% growth in 2009-10**
- **20 million mobile users added in March**
- **Indian exports to China surge by 75%**
- **Construction sector gets tax concession**

Core sector grows 7.2 % in March

MAJOR infrastructure industries, which constitute the core sector, registered robust growth of 7.2% in March, the highest in 2009-10. The growth was primarily on account of increase in steel, cement and electricity production. The cumulative growth for the entire financial year stood at 5.5%, significantly higher than the 3% last year. The core sector, which has a 26.68% weight in the Index of Industrial Production (IIP), had grown at 4.7% in the previous month and 3.3% in the corresponding month of 2009. The average growth in industrial output, as measured by IIP, for the first eleven months of 2009-10 stands at 10%.

Non life insurers clock 13.4% growth in 2009-10

GENERAL insurance industry recorded 13.4% growth in gross premium collected during the last financial year. The industry collected gross premium of Rs 346.27 billion in 2009-10 compared with Rs 305.28 billion in 2008-09. Public sector players posted 13.8% growth in gross premium in 2009-10. At the same time, private players recorded 12.8% increase in gross premium. Growth in auto sales and retail health helped industry clock a double-digit growth. Moreover, there was some correction in rates over the last six months in fire and engineering policies.

20 million mobile users added in March

THE mobile subscriber base in the country has jumped to 584.32 million customers with the addition of 20 million new users in March. The wireless subscriber base has increased by 3.6% from its February user base of 564.02 million. With this addition, the total number of telephone subscribers (wireless and wireline) in India increased to 621.28 million at the end of March, 2010, from 600.98 million in February, 2010. The broadband subscriber base increased from 8.59 million in February to 8.75 million in March, 2010 posting a growth of around 2%.

Indian exports to China surge by 75%

EXPORTS from India to China rise by 75% in the Q1 this year. Increase in textiles, precious metal shipments and stones exports helped to gain it. The overall trade with China posted a rise of about 66% during the period, which signaled achieving the trade target of US\$ 60 billion in 2010. Indian exports to China touched US\$ 5.81 billion in the period between January and March 2010, as against US\$ 3.31 billion last year.

Construction sector gets tax concession

GOVERNMENT has announced tax concessions to the construction sector, which was brought under the ambit of service tax in this year's Budget. Service tax would be levied on 25% of the gross sale value of property compared to 33% proposed in the budget in February 2010. To give thrust to the low cost housing schemes for the urban poor, Government announced exemption of service tax on constructions under Jawaharlal Nehru Urban renewal Mission (JNNURM) and Rajiv Awas Yojna.

CORPORATE HIGHLIGHTS

- **BGR Energy ties up with Hitachi**
- **Kawasaki sets up Indian arm to manufacture bikes**
- **Infotech Enterprises in pact with Westinghouse**
- **Hind National Glass forms Joint Venture with Belgium Company**
- **NPCIL, NTPC sign pact for nuke projects**
- **Symantec acquires PGP Corporation, GuardianEdge Technologies**
- **RCI, Jindal Steel in pact for three projects**
- **Panasonic to tap low-end market through Sanyo products**

BGR Energy ties up with Hitachi

BGR TURBINES COMPANY PVT LTD has signed a technical collaboration agreement with Hitachi Ltd, Japan for boilers, turbine and generator. BGR Energy also announced signing technical collaboration agreements for super-critical power steam turbine and generator from 660 MW to 1000 MW. A plant to make the super-critical equipment will also be put up. BGR Energy has submitted bids for two units of 660 MW each for Suratgarh project and two units of 660 MW each for Chhabra project for Rajasthan Rajya Vidyut Utpadan Nigam Ltd.

Kawasaki sets up Indian arm to manufacture bikes

JAPANESE motorcycle maker, Kawasaki has decided to set up an Indian arm 26 years after it first entered into a technical alliance with Bajaj Auto. India Kawasaki Motors (IKM) will focus on bikes in the 200cc-plus category and have them either imported or assembled here.

The local assembly operations will be done by Bajaj Auto at its Chakan plant on the lines of what is already happening with the Kawasaki Ninja. Country's cost-competitiveness could also help export these assembled bikes to other markets.

Infotech Enterprises in pact with Westinghouse

INFOTECH ENTERPRISES has entered into an agreement with Westinghouse Electric Company, a Toshiba Group Company to provide nuclear engineering related work. The company has finalized a master agreement with Westinghouse Electric Company for the provision of engineering services. Infotech would augment the engineering resources of Westinghouse as it prepares for global nuclear energy business growth and would lay the foundation for the Westinghouse AP 1000 nuclear power plant work in India.

Hindusthan National Glass forms Joint Venture with Belgium Company

HINDUSTHAN NATIONAL GLASS & INDUSTRIES (HNGI) Ltd has entered into a 50:50 Joint Venture (JV) with Belgium based OMCO International NV to set up and operate two glass mould manufacturing facilities at Puducherry and Bahadurgarh (Uttar Pradesh). Puducherry plant would be set up initially at an investment of Rs 350 million. The two factories would each have a monthly production capacity of 3,500 glass moulds and 5,000 neck rings in the final phase. The production in these facilities would fully cater to HNGI's requirements and any excess would be exported.

NPCIL, NTPC sign pact for nuke projects

NUCLEAR POWER CORPORATION OF INDIA LTD (NPCIL) and NTPC Ltd signed a pact for the incorporation of a Joint Venture Company (JVC) to set up nuclear power projects in the country. NPCIL will have 51% equity in the new company, the remaining 49% will be held by NTPC. The Joint Venture Company (JVC) is expected to be operational in a couple of months and the venture is likely to set up two 700 MW reactors at a site identified by the Department of Atomic Energy.

Symantec acquires PGP Corporation, GuardianEdge Technologies

SYMANTEC, global leader in providing security, storage and systems management solutions has signed agreements to acquire PGP Corporation and GuardianEdge Technologies, Inc. These companies are privately-held leaders in the email and data encryption market. Under the terms of the agreements, Symantec will acquire PGP Corporation for about \$300 million and GuardianEdge for approximately \$70 million. By bringing together PGP and GuardianEdge's standards-based encryption capabilities for full-disk, removable media, email, file, folder and smartphone, with Symantec's endpoint security, data loss prevention and gateway security offerings, Symantec will have the broadest set of integrated data protection solutions.

RCI, Jindal Steel in pact for three projects

ROCKLANDS RICHFIELD LTD, an Australia based company has signed an agreement with Jindal Steel & Power for three projects. Under the first project, RCI will sign an equal Joint Venture (JV) agreement with Jindal for a coal-brick project in India. The estimated total investment will be around \$10 million for a capacity of 600,000 tonnes per year. The project will be financed on a 50:50 debt to equity ratio. The plant capacity of the Joint Venture (JV) will initially be 150,000 tonnes a year, which could be increased to 600,000 tonnes in 2-3 years depending upon demand.

Panasonic to tap low-end market through Sanyo products

JAPANESE consumer electronics firm **Panasonic** said it will use products from **Sanyo Electric Co**, which it had acquired four months back, to tap the low-end segment of the **Indian market**. At present, Panasonic products are positioned at middle to premium segment and with Sanyo's products filling void at the low-end, the firm said it expects to achieve an overall sales of Rs 30 billion by this year. In December 2009, Panasonic Corporation had acquired a majority stake of Japanese battery maker Sanyo Electric Co. for around \$4.6 billion. Since then the company has become a wholly consolidated subsidiary of Panasonic.