

February 19, 2010

**Weekly Indicators**

Indicators	Current	Last Week
Sensex	16,192	16,153
Nifty	4,845	4,827
Forex Reserves	US\$279.19 bn	US\$278.71 bn
Food Inflation	17.97%	17.94%

**Exchange Rates**

Currency	Current	Last Week
US\$1	Rs. 46.47	Rs. 46.46
€ 1	Rs. 62.56	Rs. 64.02
£ 1	Rs. 71.5034	Rs. 72.6541
JP¥ 100	Rs. 50.55	Rs. 51.66

**Policy Rates**

Bank Rate	6%
Repo Rate	4.75%
Reverse Repo Rate	3.25%

**Global Economic News**

- Economic growth in Eurozone eased to 0.1% in Q4CY09 from 0.3% in Q3CY09.
- The US industrial production rose 0.9% in Jan'10 following revised 0.7% rise in Dec'09.
- European leaders have reached in a deal to help Greece tackle its debt crisis and pledged to bring stability in the Eurozone
- The BoJ has maintained its key interest rate at near-zero
- Japanese economy expanded by 1.1% in Q4CY09; consumer prices fell 1.2% in Dec'09
- US business inventories fell 0.2% in Dec'09 following revised 0.5% rise in Nov'09
- The US retail sales rose 0.5% in Jan'10 following a revised 0.1% decrease in Dec'09
- Canadian new auto sales rose 2.6% in Dec'09
- Russia's industrial output grew 7.8% YoY in Jan'10, while the output fell 20.4% on MoM basis
- New residential construction in the US rose 2.8% to an annual rate of 591,000 in Jan'10
- US consumer sentiment index fell to 73.7 in Feb'10 from 74.4 reading in Jan'10
- The consumer confidence index among EU consumers slipped to minus 13.6 for Feb'10

**Global Corporate News**

- Merck & Co has posted \$6.49 bn profit in Q4CY09, as against \$1.64 bn profit in Q4CY08
- Hewlett-Packard has posted \$2.3 bn profit in Q1, as against \$1.9 bn profit in Q1 last year
- UBS AG has posted CHF 1.37 bn profit in Q4CY09, as against CHF 9.44 bn loss in Q4CY08
- Dell has posted \$334 mn profit in Q4CY09, as against \$351 mn profit income in Q4CY08
- Daimler AG has posted €0.35 bn loss in Q4CY09, as against €1.53 bn loss in Q4CY08
- Ingersoll-Rand has posted \$139.4 mn profit in Q4CY09, as against \$3.29 bn net loss in Q4CY08
- Motorola said it would close its planned separation in Q1CY11
- Wal-Mart has posted \$4.63 bn consolidated profit in Q4CY09, as against \$3.79 in Q4CY08
- BlueScope Steel has posted AU\$28 mn net loss in the first half FY10
- Exelon Corp has posted \$581 mn profit in Q4CY09, as against \$707 mn profit in Q4CY08
- NetApp has posted \$108 mn profit in Q3, as against \$82 mn loss in Q3 last year
- McAfee has posted \$54.5 mn profit in Q4CY09, as against \$45.4 mn profit in Q4CY08
- Buffalo has signed a licensing agreement with Ericsson to manufacture Wi-Fi devices based on Ericsson's technology patents
- Duke Energy has posted \$346 mn profit in Q4CY09, as against \$331 mn profit in Q4CY08
- Chesapeake Energy Corp has posted \$530 mn loss in Q4CY09, as against \$1.01 bn loss in Q4CY08

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**IN FOCUS**

*It is the person who is blind to what goes on around him that is most surprised when the same things happen to him. (M. Thompson)*

**Fed announces surprise hike in discount rate**

The Federal Reserve has announced a surprise hike in the interest rate it charges banks for emergency loans. Responding to what it said was continued improvement in financial market conditions the Fed said it is increasing the so-called discount rate by 25 bps to 0.75%. The Fed statement said the moves were approved unanimously by the Federal Reserve Board, and would take effect on February 19, 2010. While the move drew an immediate spike in the US dollar on feelings a tightening of credit was nearing, the Fed attempted to dispel the notion. It repeated its previous statement that economic conditions are likely to warrant exceptionally low levels of the federal funds rate for an extended period. The Fed said the move widens the spread between the primary credit rate and the top of the federal funds target rate to 0 to 0.5% from the previous 0 to 0.25%. The Fed said its moves were intended to normalize its operations as its response to the financial crisis winds down.

**Govt unveils nutrient-based subsidy policy; hikes urea price by 10%**

The Union Cabinet has approved to implement the Nutrient-Based Subsidy (NBS) Policy on decontrolled Phosphatic & Potassic fertilizer with effect from April 01, 2010. It has also been decided to constitute an Inter-Ministerial Committee to examine various scenarios and make recommendations for finalization of per nutrient subsidy to the Government. Under the NBS regime, the retail prices of subsidized fertilizers at farmgate level will be decided by the companies. The fertilizer industry has assured that under NBS regime, the price line around the current level would be maintained during Kharif-2010. However, Urea will continue to be under the current MRP regime. But, it has been decided to hike the MRP of urea from Rs. 4,830 per MT to Rs. 5,310 per MT with effect from April 01, 2010. The subsidy will continue to be disbursed through the industry during Phase-I. The industry will get subsidy based on certification of sale by the state governments / statutory auditors of the Company. The implementation and distribution of the fertilizer will continue to be monitored through web-based fertilizer monitoring system.

**LIC to infuse Rs. 100 bn more in stock markets by Mar'09**

India's largest insurer, Life Insurance Corporation (LIC), is planning to pump in about Rs. 100 bn more in the stock markets by March-end, taking its annual equity investment to Rs. 600 bn in FY10, as against Rs. 403 bn in FY09. Its investment in the equity market so far has already crossed Rs. 500 bn and the state-run insurer expects to close FY10 with an investment of Rs. 550 bn - Rs. 600 bn. While LIC's proposed investments would be sector-agnostic and related to premium collections towards equity linked ULIPs, LIC is also participating in the primary market by investing in follow-on public offer by PSUs.

**IMF to sell 191.3 tonne of gold on open market**

The International Monetary Fund (IMF) said that will start selling 191.3 tonne of gold in the open market. The IMF said that a high degree of transparency will continue during the sales of gold. The Executive Board of the IMF had approved gold sales totaling 403.3 MT in Sept'09. The IMF has already sold over half that amount to several central banks. Now, the IMF plans to sell the remaining 191.3 tonne of gold. The sale of the full 403.3 MT would reduce the IMF's gold holdings by about one-eighth. The IMF will continue to hold a substantial portion of its assets in gold. It can be noted that in Oct'09, the IMF sold 200 tonne of gold to the RBI. The transaction generated proceeding equivalent to US\$6.7 bn (SDR 4.2 bn). Thereafter, sales of gold to the Bank of Mauritius and the Central Bank of Sri Lanka were each conducted on a single day, November 11 and 23, respectively.

**PE deals grows four-fold to \$1.24 bn in Jan: Thornton**

Private equity deals in India witnessed a strong growth momentum in Jan'10 and almost quadrupled to \$1.24 bn, from its year-ago period, reveals a study undertaken by global consultancy firm Grant Thornton. According to Grant Thornton, the total value of private equity transactions and QIP deals amounted to \$1.24 bn in Jan'10, as against \$309 mn in Jan'09, registering an over four-fold jump. Upturn was also witnessed in terms of the number of deals recorded in this month. In Jan'10, 29 PE and QIP transactions were posted, as against 16 deals registered in Jan'09. A sector-wise analysis shows that banking and financial sector cornered 31% of the total PE pie, followed by oil and gas (17%), real estate and infrastructure management (13%), power and energy (9%) and manufacturing (8%).

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## ECONOMY

### Textile sector to see recovery in 2010: Fitch

According to Fitch, the Indian textile industry is all set to witness a recovery in 2010, barring cotton textile exporters who may face another challenging year. There are clear signs pointing towards a recovery in India's textile industry in 2010, and the recovery will be supported by a pick-up in export demand, government stimulus, improved liquidity, and a stable-to-growing domestic demand for textile products, Fitch said in its report. The sector had witnessed over 2% decline in exports at about \$20 bn in FY09 compared with the previous fiscal. While capacity to repay loans of domestically-focused and synthetic textile companies are expected to improve, cotton textile exporters could face another challenging year, as their capacity to repay loans has been more severely impacted by recession and may take longer to recover, the report said. Fitch said demand fundamentals remain strong in the domestic textiles sector, but spending by consumers will remain value-driven, leading to pressures on the margins. Fitch presented contrasting picture for export earnings of textile sector as export revenues are likely to improve in 2010 due to revival of demand overseas, but appreciation of the rupee will hit these exports.

**Fitch  
Ratings**

### India-Latvia sign bilateral Investment Promotion & Protection Agreement



India has signed a Bilateral Investment Promotion & Protection Agreement (BIPA) with Latvia. The agreement aims at enhancing bilateral investment and technology flows between the two countries, by creating favourable conditions for investors. These include: Mutually acceptable definition of 'investment'; National treatment to investments on a post-establishment basis; Most favoured national treatment to investments and investors on a post-establishment basis; Protection against expropriation, except for a public purpose and against payment of a fair & equitable compensation; and Repatriability of investment and returns. The agreement provides for an elaborate dispute resolution mechanism to settle disputes relating to investments between an investor and the host Government. The agreement provides for an elaborate dispute resolution mechanism to settle disputes relating to investments between an investor and the host Government. The agreement shall remain in force for a period of ten years and thereafter, it shall be deemed to have been automatically extended, unless either country gives to the other country, a written notice of its intention to terminate the agreement.

### Govt to provide Rs. 80 bn equity support to NACIL



The Cabinet Committee on Economic Affairs (CCEA) has approved release of Rs. 8 bn as equity induction in the National Aviation Company of India (NACIL). The equity induction would not only ease the cash flow situation of the company but would also preclude borrowings from the markets at a high cost. It has been decided that NACIL would come out with a financial restructuring Plan and its turnaround plan would be closely monitored by Committee of Secretaries. Thereafter, a Group of Ministers was also constituted to consider the financial position of NACIL and its request for financial support. Route Rationalization has been reworked for Winter Schedule 2009 (up to March 2010). Restructuring of operations over Frankfurt Hub (effective December 2009), capacity adjustments, rationalization of overlap operations of NACIL(I) and Air India Express, reduction of positioning flights and 6 B747 to be taken out and replaced by other aircraft will result in expected savings of Rs. 5.63 bn in the current year. NACIL has shown improvements in its operational and financial parameters during the first half of FY10 in comparison to the corresponding period of financial year FY09. The passenger load factor, which indicates the utilization of Available Seat Kilometer offered by the Company, has improved from 57.7% to 62%. The number of revenue passengers carried increased from 5.32 mn to 5.61 mn. As for financial performance, its operating loss of Rs. 20.29 bn was about 23% less as compared to Rs. 26.38 bn for the corresponding period of last year.

### Wheat acreage touches 277.81-lakh hectare mark

As per the official data, about 277.81 lakh hectare wheat hectares been sown compared to last year's coverage of 275.89 lakh hectares. Thus 1.92 lakh hectare more area hectares been covered till 12.2.2010. Higher area coverage of wheat is reported in the states of MP, Bihar, Chhattisgarh, Himachal Pradesh and Uttarakhand, while less coverage hectares been reported in Gujarat, Rajasthan, UP and J&K. About 32.35 lakh hectare of rice hectares been sown / transplanted compared to last year's coverage of 32.52 lakh hectare. Thus 0.17 lakh hectare less area hectares been covered till 12.2.2010. Rice area hectares been diverted for pulses crops in Andhra Pradesh. However, the rice area is expected to reach last year's area coverage as sowing / transplanting is still going on. Oilseeds have been sown in less area as compared to last year, by 4.80 lakh hectare. There is a significant increase of about 8 lakh hectare area under pulses. Overall crop condition is reported normal and most of the pulses crops are in vegetable to pod formation stages and the Kharif season arhar is reported in flowering to harvesting stages. The highest area coverage during the current year is in MP and UP, followed by AP.



- ✦ **The Power Ministry said that the futures trading in electricity would be regulated by the Central Electricity Regulatory Authority (CERC).**
- ✦ The US President Barack Obama is expected to visit India in spring or summer.

## ECONOMY

### CCEA clears overseas investment proposals of OVL, Gail (India)

The Cabinet Committee on Economic Affairs (CCEA) has approved ONGV Videsh's additional investment up to an amount of US\$832.54 mn including US\$664.7 mn for its participating interest of 20% in upstream development project with minimum IRR of 12.53% and US\$167.84 mn for its share of 8.35% participating interest in onshore midstream project with minimum IRR of 15.5%. This will take total investment by OVL in the project up to US\$1006.39 mn with the break-up of US\$115.77 mn as Exploration cost till 31.10.2009, US\$564.06 mn as Upstream development cost, US\$158.72 mn as PIPECO-1 cost and US\$167.84 mn as PIPECO-2 cost. The CCEA has authorized ONGC to provide financing/guarantee support for additional investment by OVL in the project to the extent of US\$832.54 mn. The CCEA has sought exemption from Public Investment Board (PIB) route and also extending the ECS mechanism to Gail India, as available to OVL, for investments beyond the delegated power of Gail India's Board for its share of investment as a one time measure for Myanmar Gas Development and PIPECO-2 projects. The CCEA has approved Gail India's investments up to an amount of US\$502.06 mn including the upstream development project (US\$361.39 mn) and past-cost towards exploration & appraisal (US\$56.79 mn) for 10% participating interest of Gail India and US\$83.88 mn in onshore pipeline project for 4.1735% share subject to the condition that Gail India will also ensure minimum IRR of 12.53% in upstream development project and minimum IRR of 15.5% in PIPECO-2.

### Govt launches design scheme for MSME units

The Government has announced a Rs. 73 cr scheme for Micro, Small & Medium Enterprises (MSMEs) to provide them design expertise and make their products more competitive. Under the design scheme, the designers would conduct workshops at cluster level across the country and prepare a report which would talk about designs deficiencies and requirement of new designs. The scheme is a part of the National Manufacturing Competitiveness Programme during the 11<sup>th</sup> Five-Year Plan. The National Institute of Design (NID) will act as a nodal agency, where it would undertake on behalf of the MSME Ministry the necessary planning, coordination and follow-up on the scheme.

- ✦ State-owned oil firms have cut Aviation Turbine Fuel (ATF) price by 2.5% on falling global rates to give some relief to Indian carriers.
- ✦ India's edible oil imports declined to 8.27 lakh tonne in Jan'10, as against 8.56 lakh tonne in Jan'09. However, the imports of non-edible oils rose by about 14,000 tonne.
- ✦ The Government is planning to buy 24 MT of wheat for its central pool in the rabi season, with the crop due for harvesting from April.
- ✦ India's apparel exports declined 114% YoY to \$862 mn in Dec'09, as against \$973 mn in Dec'08. The apparel exports declined 7.63% YoY to \$7 bn in Apr-Dec'09 period, as against \$7.6 bn in Apr-Dec'09 period.
- ✦ Dun & Bradstreet has revised upwards the economic growth forecast for Q3FY10 to 7.3% from 6.8%, given the buoyancy witnessed in industrial activity in this quarter.
- ✦ Wholesale price-based (WPI) inflation rose to 8.56% in Jan'10, as against 7.31% overall inflation in Dec'09. The sugar prices rose by 58.96% YoY in Jan'10, while potatoes turned costlier by 53.39% and pulses by 45.64%. Fuel index rose by 1.8% due to higher prices of naphtha that rose 21%. Furnace oil rose 6% while bitumen, non-coking coal and light diesel oil rose 3% each.
- ✦ India's annual food price index increased to 17.97% as on week ended February 6, 2010, while the primary articles prices climbed to 16.23% from 7.05% rise recorded a year ago, while fuel, power, light & lubricants prices increased 9.89%.

## INFRASTRUCTURE

### Deshmukh asks to draw comprehensive plan for modernization of Heavy Engineering Corp

State-owned, Heavy Engineering Corporation (HEC) is set to get a special package for modernization of its three plants in Ranchi (Jharkhand), with the Heavy Industries & Public Enterprises Minister, Vilasrao Deshmukh has asked to draw a comprehensive plan for the same in order to place it before the Planning Commission. In a meeting with the functional directors of HEC headed by its CMD GK Pillai, Deshmukh said that the plants and machinery of HEC became outdated and required early replacement to compete with the domestic and foreign players. Maintaining that HEC is one of the largest integrated engineering complexes in India having worthy infrastructure, Deshmukh said that it needs the assistance from the concerned ministries to get orders from railways, defense, nuclear and space research, Coal India, SAIL and others. While acknowledging that the net worth of HEC negative, which created bottleneck in getting more work orders, the Minister added that the Company has the capacity to achieve the status of a Nav Ratna Company. The negative net worth of HEC could be made positive if the pending dues of the Company from Jharkhand Government were cleared, the Minister added.



### BHEL signs MoU with Toshiba Corporation to form JV Company for T&D biz

Bharat Heavy Electricals (BHEL) has signed a Memorandum of Understanding (MoU) with Toshiba Corporation of Japan to explore the possibility of forming a Joint Venture Company (JVC) to address Transmission & Distribution (T&D) business in India and other mutually agreed countries. The JVC will undertake business of equipment and projects in Extra High Voltage Alternating Current (EHVAC) and Ultra High Voltage Alternating Current (UHVAC) range including 765kV transformers and reactors and Gas Insulated Switchgear (GIS), in addition to other products and systems. The JVC shall receive technologies for the equipment and systems from Toshiba and also BHEL including technology for 765kV, UHVAC and GIS. The JVC is contemplated to be a leading company for all high-tech products and projects including 765 kV systems and above.



### Adani Power receives 1,320-MW power project in MP

Adani Power has received a Letter of Intent (LoI) from Madhya Pradesh Government for development of 1,320-MW power project at Chhindwara in the state. The project in as much as the project comes with land and other infrastructure facilities and requisite support from the MP Government. At present, APL along with its subsidiaries is developing number of power projects 4,620-MW at Mundra in Gujarat, 3,300-MW at Tiroda in Maharashtra, 1,320-MW at Kawai in Rajasthan and 2,640-MW at Dahej in Gujarat totaling to 11880 MW. The total capacity would exceed 13,000-MW. As per the LoI, 300 hectares of land, presently in possession of MP State Electricity Board along with the infrastructure facilities, shall be transferred to APL. The first unit of 660-MW shall be commissioned within a period of 42 months from the date of the LoI. Besides, the state energy department will support and make recommendations to Government of India (GoI) for obtaining coal linkage / captive coal block for the project. All the required necessary statutory clearances for development of the project shall be the responsibility of APL. However, MP Government will give recommendations to the concerned department for obtaining all the clearances. Government of MP has reserved water required for this project from Pench River. As per LoI, 10% of net energy generated from the project shall be supplied by APL to state government at variable cost to be determined by appropriate commission.

### Udupi Power to invest Rs. 6 bn for capacity expansion

Udupi Power Corporation (UPCL) is reportedly planning to invest Rs. 6 bn more to enhance the capacity of its thermal power project from the present 1,015-MW to 1,200-MW. The Company has completed the construction of the plant and is ready to start production by Mar'10. The first consignment of imported coal from Indonesia has arrived and we have already lit up the boiler and synchronize end of this month. The Company is presently waiting for the establishment of 400 Kva line by Karnataka Power Transmission Corporation (KPTCL) to evacuate power. UPCL has already invested Rs. 43 bn to set up its thermal power plant at Nandikur about 35 kms from Mangalore. The project is funded by a consortium of 14 banks led by Power Finance Corporation in the debt equity ratio of 80:20. The Karnataka cabinet approved the capacity expansion of the project. As against the required 400 kva line, as agreed in the PPA with the company, the KPTCL has set up only 200 kva power line at Kemmar near Karkala in Dakshina Kannada district. This is capable of evacuating only 200 MW of power from the plant to the main national grid at Hassan.



- ✦ A consortium led by **Sadbhav Engineering** has secured road construction contract worth Rs. 12.25 bn from NHAI, while **Areva T&D India** has been secured an electrical Balance of Plant contract worth Rs. 1.2 bn from L&T Power for state utility Madhya Pradesh Power Generating Company, **MBL Infrastructures** has secured orders worth Rs. 1 bn from Reliance Infrastructure for its 6x660 MW UMPP, **REpower Systems AG** – in which **Suzlon Energy** is majority shareholder with 90.71% holding – and Eole-Res SA have signed an agreement for the supply of 26 wind turbines, and **Concurrent (India) Infra** has secured an earth work contract for Rs. 10 crore. **Jaihind Projects** in JV with Saudi Arabia-based Arabian Pipeline Projects Company has secured water transmission system project worth Rs. 11 bn in Saudi Arabia. The Company will be having a share of Rs. 3 bn. **Suzlon Energy** has also received an order from L&T Infrastructure to set up, operate and maintain a 8.7 MW wind energy project.
- ✦ **L&T** is reportedly planning to invest \$400 mn in ramping up its ship manufacturing capacity.

## INFRASTRUCTURE

### Ansal API plans Biotech Park in UP; Ansal Housing performs Bhoomipujan for Meerut township



Ansal Properties & Infrastructure is planning to set up an 80-acre biotech park in Lucknow at an investment of close to Rs. 10 bn. The proposed biotech firm, expected to be launched by year-end, would house around 42 biotech firms and a central processing zone with state-of-the-art facilities including high-tech labs. Ansal API is reportedly in talks with Kiran Mazumdar Shaw-led Biocon, besides a few other overseas companies, to set up the central processing zone. The Company is also keen on an exclusive tie up with a single company to set up this zone, which is proposed to function as a common resource pool for all other firms in the park. Biotech Consortium of India (BCIL), a consultancy firm jointly promoted by department of biotech, financial institutions like ICICI, IDBI among others and corporate firms including Ranbaxy, Lupin, has been commissioned to draw up a detailed business plan for the project. This venture would be located amidst Sushant Golf City, a mega township project of Ansal API spread across around 3,500 acre in Lucknow. In a separate development, Ansal Housing & Construction has performed Bhoomipujan of 'Ansals Town, Phase - III,' a residential township at Meerut. In Ansal Town Phase-III, Meerut, the Company will develop 2 and 3 Bedroom free hold flats and Independent floors in the price range of Rs. 12.67 lakh to Rs. 23.2 lakh.

### Tata Power inks MoU with Korea East West Power

Tata Power Company has signed a Memorandum of Understanding (MoU) with Korea East West Power Company (EWP), one of the largest generation utilities of Korea, to identify and execute operation and maintenance (O&M) opportunities relating to third party generation assets in Asia, Middle East and Africa. Under the MoU, Tata Power and EWP have initiated a technical cooperation in the field of O&M of the generation assets. The technical cooperation shall cover exchange of information, best practices and exchange of personnel relating to the O&M of generation assets. Tata Power's brand image and reach in the Indian and international markets and EWP's rich experience in operations of ultra super - critical and CFBC units, development and implementation of plant operation and maintenance management system (POMMS) and benchmarking of best practices, put together will enable both the entities to expand their businesses in the Indian, Korean and other targeted markets.



### BEML signs MoU with Poland-based Obrum; set to become a billion dollar company



BEML has signed a Memorandum of Understanding (MoU) with Obrum, a leading R&D, modernization and production enterprise of Poland during DEFEXPO 2010. The MoU envisages joint designing and development of various products such as Armoured Recovery and Repair Vehicle on Arjun, Futuristic Main Battle Tank, Overhaul of T-72 and BMP-II, APU for T-72 and APU+A/C Unit for T-90, Armoured Personnel Carrier, 155 mm SP tracked gun system, T-72 1000 hp engine and BMP-II upgrade. The MoU will be valid for a period of 3 years which can be further extended. Through this MoU both BEML and OBRUM will target the huge Indian Defence Market and address the opportunities that are going to come up. Separately, BEML has set its target to become a billion dollar company (Rs. 50 bn) as part of its vision 2013-14 to coincide with golden jubilee of its foundation.

### True Value Homes India to invest Rs. 35 bn in value homes projects

True Value Homes India (TVH) to invest around \$750 mn (Rs. 35 bn) in the next five years as part of its value homes project in Tamil Nadu and Kerala. With an investment of \$750 mn on various projects under the 'value homes' concept, the company will set up apartments and independent villas in Tamil Nadu and Kerala. These projects are expected to come up over a five-year period. In Tamil Nadu, the company has already acquired land in Tiruchirapalli, Coimbatore, where TVH would invest Rs. 1.5 bn each in two years to set up around 150 independent villas. In Cochin, the Company would set up apartments near Mata Amritanandamayi hospital at a cost of Rs. 2.5 bn. The Company would invest about Rs. 2.5 bn each of the projects in Manivakkam, Nallambakkam, Thiruporur, respectively in the next three years to build apartments.



- ✦ **Castrol India** has posted Rs. 808 mn net profit (*Audited*) in Q4CY09, as against Rs. 470 mn net profit in Q4CY08. It has posted Rs. 3,811 mn net profit (*Audited*) in CY09, as against Rs. 2,623 mn net profit in CY08. Its Board of Directors has decided to pay 150% final dividend (Rs. 15 per equity share of Rs. 10 each) for the year ended December 31, 2009. Its Board has also approved the issue of Bonus shares in the ratio of one bonus share for every equity share of Rs. 10 each.
- ✦ A consortium of **GMR Infrastructure** and **Oriental Structural Engineers (OSE)** has won the Hungund Hospet highway project from NHAI on a build, operate and transfer basis through the international competitive bidding route.
- ✦ **Videocon Industries** has posted Rs. 4,006.6 mn net profit (*Audited & Standalone*) for the year ended September 30, 2009 as compared to Rs. 8,543 mn net profit in the year-ago period. It has posted Rs. 4,159.7 mn net profit (*Audited & Consolidated*) in the period under review, as against Rs. 10,989.3 mn net profit in the year-ago period. Its Board of Directors has recommended dividend of Rs. 2 per share for the financial year ended September 30, 2009.
- ✦ **Arshiya International** has received formal approval from the SEZ Board for Approval for setting up of a Free Trade Warehousing Zone at Bori village in Nagpur district of Maharashtra over an area of 43.26 hectares.
- ✦ The Board of Directors of **Jyoti Structures** has approved the proposal to issue Non Convertible Debentures (NCDs) with detachable warrants aggregating to an amount not exceeding Rs. 1.25 bn the equity shareholders of the Company on a right basis.

## INFRASTRUCTURE

### BHEL synchronizes 490-MW unit at Dadri Thermal Power Plant



Bharat Heavy Electricals (BHEL) has successfully synchronized the first 490-MW Unit at the National Capital Thermal Power Project (NCTPP) Stage-II, at Dadri in Uttar Pradesh. This is the first indigenous unit equipped with a high temperature reheat steam turbine which has been designed for operating at a higher reheat steam temperature of 565 degree Celsius aimed at reducing the consumption of coal. The unit also comprises an advanced control, instrumentation and monitoring system. The order for setting up 2 sets of 490 MW each at NCTPP was placed on BHEL by NTPC. BHEL's scope of work in the contract envisaged manufacture, supply, erection, testing and commissioning of the main plant package for two units of 490-MW each. NTPC has declared commercial operation of the unit. The 2<sup>nd</sup> unit is also in an advance stage of erection and is expected to go on stream in time. For the Commonwealth Games, BHEL is also executing contracts for several other power projects including Koderma STPS, Mejia STPS and Durgapur Steel STPS of DVC and Jhajjar STPS of APCPL, in addition to Dadri STPS (2X490-MW) of NTPC and Pragati-III CCPP of PPCL.

### Omaxe lays foundation for first hi-tech township in Allahabad

Omaxe has laid the foundation of Omaxe Waterfront City, the first hi-tech township in Allahabad. Omaxe Waterfront hi-tech township is spread over approximately 1,535 acres. Omaxe, through an SPV has already signed a developer's agreement with Allahabad Development Authority for approximately 725 acres with an environmental clearance already been obtained. Strategically located on the banks of holy Ganga, Omaxe Waterfront City brings the world famous concept to live by the waterfront for elite of Allahabad. Omaxe Waterfront City will be developed as a holistic ultra modern eco-friendly hi-tech township comprising of various residential options, commercial, retail, industrial, institutional, and recreational and entertainment zones. Omaxe Waterfront City unveils the most comfortable and luxurious lifestyle away the hustle-bustle of the daily life.

### BPCL, Videocon find gas in Wildcat well in Mozambique

Bharat Petroleum Corporation (BPCL) has announced that its wholly owned subsidiary i.e. Bharat PetroResources (BPRL) advises that Anadarko Petroleum Corporation, the operator of exploration block in Rovuma Basin, Area I, offshore Mozambique, has announced on February 17, 2010, that the exploration well, Windjammer, which is currently being drilled in the acreage, has reached an intermediate casing point and encountered more than 145 net meters of natural gas pay in multiple high quality reservoir sands with a gross column of more than 365 meters. BPRL Ventures Mozambique BV an overseas subsidiary of BPRL holds 10% participating interest in this block. Videocon Mozambique Rovuma 1, an overseas wholly owned subsidiary of Videocon Industries, holds 10% participating interest in this acreage.

### Indsil Hydro inks pact to form 50:50 JV with Muscat Overseas Group

Indsil Hydro Power & Manganese and its group sister Company i.e. Indsil Energy & Electrochemicals Ltd. have entered into an arrangement with the Muscat Overseas Group to form a 50:50 JV for the purpose of setting up a 75,000 TPY ferro chrome smelter in the Sultanate of Oman. The project would have access to 100% captive chrome ore which would be made available from the existing mining operations of the Muscat Overseas Group. Indsil would be providing the technology, operating and marketing expertise for the proposed smelter project. The share capital would be held equally by both parties to the joint venture. The project is expected to cost around US\$30 mn (Rs. 1.4 bn) and is expected to operational by end of 2011.

- ✦ The Board of Directors of **Prajay Engineers Syndicate** has decided to convene an EGM on March 15, 2010 to consider issue of GDRs/FCCBs/QIP for an aggregate amount of US\$ 150 mn.
- ✦ **BHEL** has paid 110% interim dividend on the enhanced equity capital post-bonus, for FY10 as against 90% paid in FY09.
- ✦ According to reports, **Damodar Valley Corporation** will to open the 'DVC 2017' bond issue for private placement on February 19, 2010. The issue is expected to mop up Rs. 6.4 bn through the book building route. Thus, debt finance will replace equity finance for funding a number of generation, transmission and distribution projects already on stream. Although the actual issue size is Rs. 5 bn, DVC expects to mop up another Rs. 1.4 bn by exercising the green shoe option allowing retention of over-subscription.

## IT & ITeS

### IT service providers have strong long-term prospects with signs of recovery in key mkts: CRISIL



According to CRISIL, the credit profiles of the domestic IT service providers have survived the economic downturn and they are well-positioned to benefit from the gradual improvement in demand. The IT service providers have strong long-term prospects as key markets (US & Europe) show signs of economic revival, CRISIL added. The domestic IT service providers have successfully weathered the turbulence in the global economic environment since the second half of FY09. This is reflected in the relative stability of the credit profiles of these players in this period, the report said. "CRISIL-rated Indian IT service providers have responded to a challenging business environment by enhancing operational efficiency, diversifying their business profiles, enhancing risk management practices, and maintaining strong liquidity," CRISIL Ratings Director Pawan Agrawal said. IT service providers have focused on increasing the proportion of fixed-price contracts, changing effort mix in favour of off-shore operations over on-site and improving manpower utilization, the report added. IT players have also begun to increasingly focus on high-end services such as infrastructure management and enterprise applications, which have higher margins than traditional low-end application development and maintenance services, it added.

### Polaris arm signs up Samsonite to rollout iStore Linux in its 60 brand outlets across India

Polaris Retail Infotech (PRIL), a leading Retail Software provider and a wholly owned subsidiary of Polaris Software Lab has announced the launch of Linux powered Retail Store Management solution "iStore Linux". PRIL has signed up Samsonite to rollout iStore Linux in its 60 exclusive brand outlets across India. iStore is available on all Linux flavors present in the market. The combination of SOA based iStore application on Linux system can potentially bring down the set-up and running cost of retail store software by 50%. Samsonite in India chose PRIL's iStore bundled with IBM's Retail Integration Framework to gain advantages of scalability and flexibility that a next generation retail solution and an open operating environment could provide. With iStore available on Linux, Samsonite was convinced of the benefits of robustness, high availability and low TCO. iStore was jointly launched by PRIL and IBM in 2009. It is the first SOA-based Retail solution in India that is built on the open-standards-based Java(TM) Platform, Enterprise Edition and is bundled with IBM's Retail Integration Framework.



### Allied Digital arm introduce new 2010 Intel Core vPro processor family into customer solutions



En Pointe Global Services (EPGS) – a leading provider of managed IT services, and the US subsidiary of Allied Digital Services – has announced that it will introduce the all new 2010 Intel Core vPro processor family into its wide-ranging customer solutions. EPGS will integrate Intel's latest generation of intelligent business platforms to take advantage of the virtualization and automation features of Intel vPro processor technology, offering remote IT asset management that minimizes desk-side visits while enhancing security and customer productivity. Buyers of IT products as well as En Pointe Global Services' managed service customers will receive PCs and notebooks featuring Intel Core i7 and i5 processors. These systems automatically adapt to each user's individual needs to speed up when multitasking. Intel TurboBoost technology and Intel Hyper-Threading technology enable users to remain productive even while running security and other background tasks. All-new 2010 Intel Core vPro processor technology will enhance En Pointe Global Services' managed service offerings, enabling IT personnel to remotely configure, diagnose, isolate and repair infected PCs – even when those units are unresponsive – to help customers control management costs, protect data, work more efficiently and remain productive.

### Calsoft launches latest Adobe Flash technology

California Software Company (Calsoft), a product engineering and enterprise solutions company, has announced the availability of integration services for the latest Adobe Flash technology. The Adobe Flash Player is the preeminent platform for viewing rich internet content and applications, built on a consistent run-time environment for web browsing and standalone applications. The Adobe Flash Player has been installed in over 1 billion devices and has a large ecosystem supporting the technology, the company said in a filing. Calsoft has announced their ability to provide Flash related system integration services for the Adobe Flash Player 10. This player is designed to offer a consistent Flash experience over a wide range of mobile and standalone applications. Flash 10 for mobile and embedded devices is targeted to higher-end, internet-connected devices that require a high level of quality of Flash user experience and compatibility with many popular operation systems. Flash 10 supports ActionScript 3, graphics acceleration, multi-touch and gestures, accelerometer and hardware audio and video decoding.



✦ **HCL Technologies** has announced the opening of its regional headquarters for the Middle East operations in Dubai. This new facility housed in the state-of-the-art Dubai Internet City was inaugurated by Shiv Nadar, Founder, and Chairman & Chief Strategy Officer, HCL Technologies in the presence of Malek Sultan Al Malek, Executive Director, Dubai Internet City. HCL will offer services across a wide range of service lines including Product Engineering and R&D, Custom Applications, Enterprise Application Services, Infrastructure Management Services, and BPO.

✦ **Sify Technologies** in technical partnership with **Hitachi Data Systems** has launched a new on-demand scalable storage platform which will be offered on a fully managed concept.



## IT & ITes

### Subex advocates “sweating the fraud management asset” to extract maximum returns

**subex** Subex, a leading provider of Operations and Business Support Systems (OSS / BSS) for communications service providers (CSPs), has presented ideas for extracting the maximum efficiency from existing fraud management investments by CSPs, at the GSMA Fraud Forum held at Ascot, London, UK during January 26-28, 2010. At this forum, Subex presented on ‘Sweating the asset: How to get more from your fraud management system’. Sweating the fraud management solution thus aims at maximizing its ROI by doing more with what’s available. For example, finding more fraud and finding it faster. Perhaps managing non-subscriber related fraud and most importantly extending the scope of the solution to include potentially unaddressed, high value areas of internal fraud such as expense fraud, handset theft, internal telephony abuse, etc. The same fraud management solution can be used to identify certain types of high level revenue assurance and credit risk management issues. The solution can even identify and detect unusual patterns caused by equipment or network related faults. Additionally, it can offer third party fraud detection services to other service providers, or corporate customers or consumers, delivering another value add to a CSP’s service offering.

### Sasken-developed IsatPhone Pro set for global launch in Jun’10

Sasken Communication Technologies has reported that IsatPhone Pro, a handheld satellite phone developed by Sasken for Inmarsat, the leader in global mobile satellite communications services, has completed its first call from Hawaii and is set for a planned global launch in Jun’10. Sasken is responsible for end-to-end development of the IsatPhone Pro satellite phone, which has been made possible through its multi-site capabilities and centers of excellence in India, Finland and Germany. IsatPhone Pro will offer satellite telephony, with Bluetooth for hands-free use, voicemail, and text and email messaging. Location data will also be available to the user to look up or send in a text message. Designed primarily for professional users in the government, media, aid, oil and gas, mining and construction sectors, this is the first handset to be purpose-built for the Inmarsat network.



- ✦ The Board of Directors of **Infotrek Syscom** has approved the amalgamation of company’s subsidiary i.e. Eco Recycling with the Company. The appointed date for the said Amalgamation shall be January 01, 2010.
- ✦ **Sonata Software** has announced that its integrated business application i.e. SonnetIM&C has been certified by SAP as a Business All-in-One partner solution.
- ✦ The Board of Directors of **Birla Shloka Edutech** has decided to raise limits up to Rs. 75 crore by way of ADRs/GDRs, FCCBs etc.
- ✦ **Spanco** has secured the State Data Center (SDC) project from the Rajasthan Government under NeGP instituted by Government of India.
- ✦ **Micro Technologies (India)** has expanded its business to Mongolia and Tanzania market and jointly planned serious inroads to provide a highly advanced security products in the domestic-market of Mongolia and Tanzania worth US\$5 mn after the successful introduction in Japan and Israel. With the signing of the agreement after the pilot projects in Mongolia and Tanzania, the technical team of Micro Technologies has initiated the strategy for large deployments of some of the range of Micro products.
- ✦ **Four Soft** has signed contract with Len Lothian, to implement its warehouse management system (WMS) - 4S eLog across its locations.
- ✦ **Firstobject Technologies** has received provisional approval and allotment of built up space for the purpose of Software Development Activities from SEZ, Visakhapatnam Special Economic Zone. The Company needs to adhere to the terms and conditions as per LOP and pay one year advance lease rental and user charges as applicable.
- ✦ The Board of Directors of **Ranklin Solutions** has decided to raise funds by issue of GDRs/ADRs up to Rs. 1 bn with a green shoe option of 10%.
- ✦ **Wipro Technologies** – the global IT services business of **Wipro** – has won the NASSCOM IT Innovation Award in the Process Innovation category for the year 2009 at the NASSCOM India Leadership Forum 2010 held in Mumbai.

## TELECOM

### DoT data confirm dearth of spectrum in 13 circles

There is a dearth of spectrum to be allotted for mobile services in most part of the country, a situation which could seriously hamper the expansion plans for many telcos, according to data compiled by the Department of Telecom (DoT). As per the data, 13 circles, including Maharashtra, Gujarat, and Punjab do not have any 2G spectrum as on December 2009 on the designated 1,800 MHz band. This is a grim scenario as many new operators are about to start their mobile service and many are about to expand. Although there is currently a freeze on allocation pending the Telecom Regulatory Authority of India proposals the situation is unlikely to improve even after the regulator gives its suggestions. However, Delhi has 3.6 Mhz, while Mumbai (2.2 MHz), Kolkata (18 MHz) and Chennai (20 MHz) spectrum on the same band. J&K, North East, Assam, Bihar, Himachal Pradesh, West Bengal, Rajasthan, Uttar Pradesh (east and west), Haryana have no spectrum which can be allotted to operators. As per the list, Orissa has 18 MHz, Madhya Pradesh 40 MHz, Andhra Pradesh 15 MHz, Karnataka 9.8 MHz, Tamil Nadu 20 MHz and Kerala 28 MHz. The TRAI is currently in the process of bringing out policy recommendations for the fundamental issues concerning the allocation, pricing, methodology, transfer and sale of 2G spectrum.

### GSM operators add 13.76 mn subscribers in Jan

Indian GSM operators (excluding Reliance Communications and Tata Teleservices) collectively added 13.76 mn subscribers in Jan'10 at a monthly growth rate of 3.62%. Bharti Airtel added 2.85 mn subscribers taking its total subscriber base to 121.71 mn subscribers at a monthly growth rate of 2.4%, while BSNL managed to add 2.23 mn new subscribers at a rate of 3.9%. Idea Cellular has edged pas BSNL with additions of 2.27 mn subscribers with subscriber base of 59.88 mn compared to BSNL's total of 59.46 mn. Vodafone Essar added 2.74 mn subscribers with its subscriber base now touching 94.14 mn. Aircel recorded the highest growth rate with 2 mn new subscriber additions and total subscriber base of 33.03 mn. New entrant S Tel added 0.22 mn subscribers to take its subscriber base to 0.36 mn. S Tel is presently operational in only three circles of Himachal Pradesh, Orissa and Bihar & Jharkhand. However it is new entrant Uninor which is emerging as a strong contender in the Indian mobile services space. The operator has added 1.33 mn new subscribers. Its total subscriber base at the end of Jan'10 stood at 2.5 mn. In Dec'09 too, it added 1.2 mn subscribers. The total GSM subscriber base is now inching closer to the 400 mn mark with 394.2 mn subscribers till the end of Jan'10. Reliance Communications has added 2.8 mn new wireless subscribers on both its GSM and CDMA platforms in Jan'10, taking its wireless subscriber base to over 94 mn as on Jan'10.

### Global operators to invest \$72 bn in mobile broadband technologies in 2010



The ongoing GSMA hosted Mobile World Congress saw global operators committing to invest as high as \$72 bn capex in mobile broadband technologies in 2010. In fact capex on mobile broadband will comprise 52% of total capex announced by operators. This is a huge opportunity for telecom vendors who, apart from the Chinese players Huawei and ZTE, are struggling with their financial performance. The greatest investment is set to come from Asia Pacific operators with collective investments pegged to be \$34 bn. This continent will be followed by North America which will see investments of \$ 19 bn while Europe will see investments of \$14 bn. The GSMA has announced that mobile operators around the world will invest up to \$72 bn in Mobile Broadband technologies in 2010. The new operator capex investment data, compiled by global investment firm Deutsche Bank, reflects the continued consumer and enterprise demand for Mobile Broadband services and the need for underlying infrastructure, and comes as global HSPA connections reach the 200 mn milestone.

### Motorola to split into two; Sanjay Jha to head handsets, STB business units

Motorola has confirmed that it will indeed split its businesses into two separate entities, a move which was seen as the obvious option in the company's bid to revive its financial performance. In the new set-up existing Co-CEO, Sanjay Jha will head the handsets and set-top boxes business units which will come under a new entity. The new entity will be spun off as a separate publicly traded company. Greg Brown CEO of Motorola will head the existing entity comprising of business units wireless networking business and its enterprise radio systems operations businesses. The split will be through a tax-free stock distribution to shareholders. The handsets and set-top boxes business will own the Motorola brand and will license it royalty-free to the enterprise and networking company. The enterprise and networks business would assume Motorola's debt valued at \$3 bn.

✦ The **Cellular Operators Association of India (COAI)** has joined hands with Israel's Israel Mobile & Communications Association (IMA) to work together in maintaining and promoting cooperation and understanding in the development of trade and business relations in the field of Cellular Telephony. The Associations have agreed to communicate on a regular basis to exchange views and reports on accomplishments and developments in Cellular Telephony.

✦ **Nokia** has launched a new handset in the Indian market, Nokia 2730 classic which is a 3G handset priced at Rs. 4,499. Moreover, the handset also comes preloaded with features such as Ovi Mail, Nokia Messaging, and Nokia Life Tools. It also has a 2 mega pixel camera, FM radio, Bluetooth, long talk time, phonebook with 1000 entry capacity, integrated handsfree speaker, expense manager. The handset is available in black and dark magenta colours. It weighs 87.7 g and its dimensions are 109.6 mm x 46.9 mm x 14.4 mm.


## TELECOM

### TTSL selects Acision solutions; bags 8 awards at World HRD Congress

Tata Teleservices (TTSL) has selected the advanced messaging, charging services solutions of Acision. As part of the contract, Acision will deploy its Acision SMSC, Acision MMSC, Acision Business Tools, and Acision's mobile data charging solution. The solution will support TTSL's CDMA as well as GSM subscribers. The new deal is extension of the business association between the two companies since 2004. It involves capacity expansion on the Acision SMSC and Acision MMSC, with the aim of increasing Tata's text and multimedia messaging traffic volumes by up to 90%. Moreover, TTSL will also have the ability to view information and report on data usage and performance across all its messaging services with Acision Business Tools. Acision's real-time charging solutions will enable TTSL to reduce exposure to revenue leakage and secure the network against the threat of prepaid fraud. Separately, TTSL has bagged 8 awards at the World HRD Congress under different categories competing with 189 other companies from 25 countries. TTSL has won awards for 'Best-in-Class HR Practices' in the categories namely: Talent Management; Excellence in HR through Technology; Innovative Retention Strategy; Excellence in Training; Institution Building; Innovative HR Practices; and Overall Recruitment & Staffing Award for the Year. The company was also ranked as the '5<sup>th</sup> Best Employer' in the Country.



### Aircel adopts Oracle solution for its content delivery platform

 Aircel has adopted Oracle Communications Services Gatekeeper as well as Oracle Fusion Middleware which will equip the operator with a scalable and personalized content delivery platform mainly for new revenue generation through VAS. The new solution will allow Aircel to offer its subscribers enhanced versions of messaging, images, music, videos, games, news and regional services. The platform also addresses the concerns of third party application developers. Aircel subscribers will now be able to subscribe to numerous VAS over the SMS, channel, IVR or multi-channel platform. The deal is seen as an extension of business relationship between the two firms with Aircel already using Oracle's Siebel CRM, Oracle Fusion Middleware and Oracle Database. Wipro Infotech deployed the solution along with Oracle Communications Consulting.

- ✦ **Etisalat** has sought approval from the Foreign Investment Promotion Board (FIPB) to raise its stake in its Indian subsidiary Etisalat DB which is in alliance with Swan Telecom from the present level of 45 % to 50% plus one share. Meanwhile, the Company announced that it has scaled the 100 mn subscriber mark for its operations spread over 18 geographical markets across the globe.
- ✦ **Bharti Airtel** and Zain have agreed to enter into exclusive discussions until 25 March 2010 for the acquisition of Zain's African unit (Zain Africa BV) based on an enterprise value of US\$10.7 bn. This potential transaction does not include Zain's operations in Morocco and Sudan and remains subject to due diligence, customary regulatory approvals and signing of final transaction documentation. There can be no assurance that a transaction will be consummated. Further announcements will be made in due course.
- ✦ **Reliance Communications** has reportedly placed an order to Huawei Technologies towards procuring 2 mn CDMA handsets valued at over Rs 3.4 bn. Rel Com aims to offer these handsets priced in the range of Rs. 1,700 to Rs. 1,950 per unit in Tier-II and Tier-III cities. The handsets will have a ready interface with Rel Com's VAS platform.
- ✦ **Reliance Communications** has added 2.8 mn new wireless subscribers on both its GSM and CDMA platforms in Jan'10, taking its wireless subscriber base to over 94 mn as on Jan'10.
- ✦ **Tata Teleservices (TTSL)** and Future Group have unveiled a new business alliance branded as 'T24', which will offer mobile services under the GSM platform. The alliance will initially launch the services in South India. The services will now be marketed across Future Group's retail network.
- ✦ **Reliance Mobile** has launched two new CDMA handsets namely the C3500 & C3200 in tie-up with Huawei technologies. With FM Radio, FM Recorder and Audio Recorder it's a mobile music express. A bright 65,000 CSTN Color Display, 1.47" LCD, Phonebook with up to 500 contacts, BREW Lite 3.1, 32 Polyphonic Ringtones, Alarm, World Clock, Calendar and Calculator, and is also priced at Rs. 1,799.
- ✦ **Nokia Corporation** and **Intel** have joined hands to form a new platform designed for high-end mobile computers, named as 'MeeGo' which will combine Nokia's Maemo and Intel's Moblin. The platform will be built over Linux platform and is widely seen as an attempt to challenge Google's Android. The alliance aims to tap pocketable mobile computers, netbooks, tablets, media-phones, connected TVs and in-vehicle infotainment systems. The platform will be open-source in nature and will support other handsets as well apart from Nokia make.
- ✦ **China Telecom**, **KDDI**, **Verizon Wireless** and **Qualcomm** gained membership to the GSMA following their commitment to deploy commercial services based on Long-Term Evolution (LTE). The move is remarkable in the sense that all the three service providers mentioned are CDMA operators. Qualcomm joined as associate member and will work with operators to aid the smooth integration of LTE with existing Mobile Broadband technologies.
- ✦ **Tekelec** has bagged new contracts from **BSNL** towards deploying Mobile Number Portability (MNP) and Session Initiation Protocol (SIP) routing solutions to the PSU. For the MNP contract, Tekelec will implement its signaling system 7 (SS7), while the SIP-based solution will support multiple networks.
- ✦ **Ericsson** has launched its App Store platform for service providers. Branded as 'eStore' the platform presently has over 30,000 applications. The applications can run on any mobile device irrespective of make or operating system used. The client framework for the eStore has been jointly built in collaboration with Opera Software. The revenue-model will involve three parties, Ericsson, third party developers and service providers.
- ✦ **Alcatel-Lucent** has secured a contract from AT&T to deploy LTE solutions. Ericsson is the other vendor short-listed for the project.


## AUTO & AUTO ANCILLARIES

### Electric Vehicles will be the Next Preferred Powertrain Option: Frost & Sullivan Study

Frost & Sullivan's recent study 'Voice of Indian Automotive Customers 2009: Evaluation of Powertrain Technologies in Vehicles' revealed that the concept of Electric Vehicles (EV) in India is growing. Due to post-purchase concerns such as battery life, distance traveled, maintenance cost, acceleration, and top speed only 7% of Indian vehicle owners are "very likely" to purchase an electric vehicle in the future. Interestingly, Indian vehicle owners are also willing to pay a premium over the base price for an electric vehicle; among all alternate fuel vehicles, the premium for an EV is fairly low. Currently, nearly all Indian vehicle owners use conventional fuels. However, with increased environmental awareness a considerable preference for the use alternative/non-conventional fuels is likely. This is quite significant, given that only 1% vehicle owners currently use alternative/non-conventional fuels. However, apprehension related to insufficient fuel stations, battery charging time, etc. persists among Indian vehicle owners who would consider switching to alternative/non-conventional fuels. The study revealed that the market for manual transmission vehicles may shift in the future towards automatic transmission vehicles. It captures willingness to pay extra for automatic transmission. As per the study the market for manual transmission vehicles may shift in the future towards automatic transmission vehicles. The study analyzes three major factors influencing any vehicle purchase decision and is based on the factor analysis. It also addresses the trends in downsizing of engines based on consumer preferences.

FROST  
&  
SULLIVAN

### Ashok Leyland plans to ramp up funding plans; mulls hiking prices by 15%



 Ashok Leyland plans to ramp up funding plans for the next two years on the back of resurgence in the auto market. It can be noted that last year the Company had brought down its capex outlay to Rs. 20 bn for three years starting FY10 fiscal from an earlier announced Rs. 32 bn. The Company plans to pump in Rs. 3 bn to start the press shop inside the facility. The Company plans to be complete the construction of the press shop next fiscal, which had deferred due to slump last year. It has so far invested Rs. 12 bn in setting up the Uttarakhand facility that will produce 50,000- 75,000 units initially. Separately, the Company plans to increase prices of its products by up to 15% once the new emission norms come into effect across the country from Apr'10. The Company said that with the implementation of new emission norms from April 1, it will offer technology complying with the regulations, and this upgrading will result in price increase. The Company will switch over to Bharat Stage IV emission norms in 13 cities, while rest of the country will become Bharat Stage III compliant from Apr'10.

### Tata Motors launches combat vehicles for defence sector; may hike prices of CVs by 2%

Tata Motors has announced its foray into combat vehicles for the defence sector with the launch of a mine protected vehicle. Tata Motors, which has been a supplier to India's defence and paramilitary forces since 1958, would also offer the mine protected vehicle to paramilitary and police forces. Tata Motors has the ability to mobilize adequate manufacturing capacity and will deploy its dealer and service network across the country for maintenance and service. It would also form appropriate partnerships and harness the capabilities of its subsidiaries and other Tata Group companies. Separately, Tata Motors is reportedly planning to increase prices of its commercial vehicles by up to 2% on account of the new emission norms that will be implemented from April. Passenger cars and CVs will switch to Bharat Stage IV emission norms in 13 cities, while rest of the country will become Bharat Stage III compliant.



### Ashok Leyland unveils armoured vehicles; launches die casting JV with Finnish firm

  Ashok Leyland has unveiled an Armoured Stallion, an Armoured Bus and a Mine Protected Vehicle (MPV) at the Defexpo. The MPV offers protection against 7.62 mm, 5.56 INSAS and 7.62 AK-47/56 rifle bullets and ensures double anti-tank mine blast protection. All the three new products showcased at the expo have been developed using the standard Stallion trucks and components to ensure commonality of items, easy maintenance and repairs, thereby significantly improving the serviceability of the vehicles. Separately, Ashley Alteams – a 50:50 JV between Ashok Leyland and Finnish light cast metal components manufacturers Alteams OY – has been inaugurated at Cheyyar, near Kanchipuram in Tamil Nadu. The new unit will produce aluminium high pressure die cast components for the automotive and telecommunication sectors. The facility's initial annual capacity of 7,000 tonne will be enhanced to 10,000 tonne progressively. The venture is expected to generate annual sales of Rs. 1.8 bn that will rise to Rs. 5 bn in five years with capacity expansion and value addition.

- ✦ **Mercedes-Benz** has launched two variants of the 2010 M-Class. It is investing Rs. 2 bn in revamping the network in creating new showrooms, upgradation of the existing ones and entering new cities. It also plans to launch 12 products in 12 weeks of the current year.
- ✦ The group global sales of **Tata Motors** grew 93% YoY to 85,714 in Jan'10. Its cumulative sales grew 13% YoY to 681,480 in Apr'09-Jan'10 period. Its sales of all commercial vehicles grew 115% YoY to 40,334 in Jan'10, while the cumulative sales grew 32% YoY to 322,470 in Apr'09-Jan'10 period. Its sales of all passenger vehicles grew 76% YoY to 45,380 in Jan'10, while the cumulative sales declined 0.31% YoY in Apr'09-Jan'10 period. Jaguar Land Rover global sales grew 195% YoY to 16,269 units in Jan'10. Jaguar sales rose 122% YoY to 2,974, while Land Rover sales increased by 219% YoY to 13,295 in Jan'10.
- ✦ **VE Commercial Vehicles** – an unlisted material subsidiary of Eicher Motors and 50-50 JV between Volvo Group and Eicher Motors – has announced some senior management changes so as to strengthen the management team.
- ✦ **Ford** plans to phase out its hatchback Fusion from the Indian market with the forthcoming launch of its small car Figo. The Company will be launching the Figo in March and commercial production of the vehicle has started at the Ford India's Chennai plant from February 5.

## STEEL, METALS & MINERALS

### Steel and aluminium projects fall behind planned investments

While investments in steel projects have been on a constant rise ever since 2003, the gap between planned investments and implementation of these projects has more than doubled. The problems such as land acquisition, rehabilitation and permissions from various government authorities are cited as reasons for the widening of this gap. According to data from Projects Today, the total worth of investment planned in steel projects and the total worth of projects in the implementation phase were at par at around Rs. 250 bn. Post-2003, though the planned investments have increased rapidly, the growth in the implementation rate has been abysmal. During 2003 to 2009, planned investment in steel projects went up to Rs. 4,000 bn, while implementation miserably fell behind at Rs. 1,500 bn. In 2005, the total planned investment in steel projects was around Rs. 1,000 bn. However, the rate of implementation continued to stagnate at below Rs. 500 bn with a marginal rise from the 2003 level. Post-2005, the gap between the total investments planned in steel projects and the amount of projects in the implementation phase increased drastically. From a marginal difference in 2003, the gap widened to Rs. 1,000 bn in 2005-06. It further increased to a difference of Rs. 2,000 bn in 2008. In 2009, the total planned investment in steel projects stood at Rs. 4,000 bn, as against Rs. 1,500 bn worth of projects in the implementation phase, showing a huge gap of Rs. 2,500 bn. A similar scenario is playing out in aluminium projects as well. In 2002, investments in aluminium projects and projects in the implementation phase were below Rs. 200 bn. In 2003, the investment in aluminium projects increased to Rs. 400 bn, while the projects in the implementation phase stagnated at below Rs. 200 bn. In 2006, the investments in aluminium projects touched Rs. 1,000 bn, while the projects in the implemented phase rose to about Rs. 300 bn. In 2009, the total planned investment in aluminium projects stood at Rs. 1,800 bn and the worth of projects in the implementation phase stood at around Rs. 500 bn.

### Apr-Nov mineral production rises 9.94% YoY

The mineral production from mining and quarrying sector rose by 1.05% MoM and 9.94% YoY in Nov'09. The mineral sector has shown a positive growth of 8.29% YoY in Apr-Nov'09 period. The total value of mineral production (excluding atomic & minor minerals) in the country stood at Rs. 89.46 bn in Nov'09. The coal contributed the highest Rs. 35.94 bn (40%). Next in the order of importance were: iron ore Rs. 16.18 bn, petroleum (crude) Rs. 15.56 bn; natural gas (utilized) Rs. 12.44 bn, lignite Rs. 1.59 bn and limestone Rs. 2.26 bn. These six minerals together contributed about 94% of the total value of mineral production in Nov'09. The production level of important minerals in Nov'09 were: coal 450 lakh tonne, lignite 19 lakh tonne, natural gas (utilized) 3,987 mn cum., petroleum (crude) 28 lakh tonne, bauxite 1,427 thousand tonne, chromite 305 thousand tonne, copper conc. 10 thousand tonne, gold 158 kg., iron ore 172 lakh tonne, lead conc. 11 thousand tonne, manganese ore 171 thousand tonne, zinc conc. 104 thousand tonne, apatite & phosphorite 90 thousand tonne, dolomite 424 thousand tonne, limestone 183 lakh tonne, magnesite 26 thousand tones and diamond 1390 carats. In Nov'09, the output of chromite rose by 22.69%, apatite & phosphorite 12.7% magnesite 10.62%, manganese ore 8.6% bauxite 5.50%, coal 5.13%, and iron ore 2.2%. The production of copper conc. and diamond remains at the level of previous month. However, the production of natural of natural gas (utilized) decreased by 0.42%, limestone 1.55%, lead conc. 1.89%, petroleum (crude) 2.14%, dolomite 2.24%, gold 3.07%, zinc conc. 7.33% and lignite 21.87%.

### Adhunik Corp gets 505 acres in West Bengal for proposed Rs. 70 bn steel, power venture

Adhunik Corporation, which is planning to set up an integrated steel plant in West Bengal, has received allotment of 505 acres of land at Raghunathpur in Purulia district of the state, in what could be regarded as a major boost to the Company's proposed Rs. 70 bn steel and power venture. The Company had requested for a total of 700 acres in the area. It can be noted that the Company had entered into an MoU with the West Bengal Government for the proposed project in Dec'07, as per which Adhunik Corporation, WBIDC and West Bengal Mineral Development & Trading Corporation will facilitate land, coal and water for the project. Adhunik Corporation's project involves setting up a steel plant with a capacity of 1.1 MTPA along with a 1,000-MW captive power plant and a 1 mn cement plant at Raghunathpur.

- ✦ **Bhilai Steel Plant (BSP)** – the flagship unit of **SAIL** – has received the Prime Minister's Trophy for emerging as the best performing steel plant in the country for FY07 and FY08.
- ✦ **Essar Steel** is reportedly looking at increasing prices of its products amid higher input costs and improved demand by April-May this year.
- ✦ **SAIL** will commission the Rs. 150 bn expanded production line of its Bhilai unit to 7.5 MT by FY13. SAIL is targeting to take its annual production capacity to 23.2 MT by Dec'12 from about 14 MT currently.
- ✦ **Tata Steel** is reportedly planning to set up a construction group to leverage Corus' skills in making steel for high rises.
- ✦ **Tata Steel** has posted Rs. 4,726.5 mn net profit (*Unaudited & Consolidated*) in Q3FY10, as against Rs. 8,138.9 mn net profit in Q3FY09. Its total income has decreased to Rs. 266.11 bn (*Unaudited*) in Q3FY10, as against Rs. 332.34 bn in Q3FY09.
- ✦ **IMX Resources** has signed a variation to the sales contract it previously signed with Jilin Tonghua Iron & Steel Group (Tonghua Mining). Under the terms of the variation Tonghua Mining will now purchase all of the ore produced from Cairn Hill Phase 1 for the life of mine.
- ✦ **Pennar Industries** announced the launch of its new facility in Medak district near Hyderabad for manufacturing world class green' pre engineered buildings. The facility has been set up by its subsidiary PEBS Pennar. The new PEBS Pennar facility is being set up in two phases at a total estimated cost of Rs. 1.05 bn to produce 60,000 TPA.
- ✦ CARE has retained "BBB-" rating for the long/medium term bank facilities of Rs. 81.4 crore (reduced from Rs. 211.1 crore) of **Jai Balaji Jyoti Steels**. CARE has assigned "PR3" rating to the short-term facilities of Rs. 3 crore of the Company.
- ✦ CARE has reaffirmed the "BBB" rating assigned to the long-term bank facilities of **Welspun Power & Steel**.

## PHARMA & HEALTHCARE

### Solvay closes €5.2 bn sale of Solvay Pharma to Abbott; Abbott makes Open Offer



Solvay has closed the sale to Abbott of the pharmaceuticals business of the Solvay Group for a total enterprise value of about €5.2 bn. This includes a first cash payment at closing of €4.5 bn and additional potential cash payments of up to €300 mn if specific milestones are met between 2011 and 2013. It also includes the assumption

of certain liabilities and sale price adjustments, which Solvay valued at approximately €360 mn on January 1st, 2010. All antitrust clearances have been obtained, the most recent one being the clearance from the EU authority, obtained on February, 11, 2010. The transaction provides for the transfer at closing of all employees of the pharmaceutical business. The transaction also includes the customary provisions limiting future exposure of Solvay to its former pharmaceutical activities. The after taxes capital gain on the transaction is estimated at €1.7 bn on January 1st, 2010. It will be booked in the Group results of the 1st quarter 2010 in the discontinued operations. This capital gain is subject to limited adjustment for the variations in net asset value of the activities from January 1st, 2010 to 15 February 2010. Furthermore, as previously announced, provisions to adapt the organization of the Group will have to be created. These amounts are not determined at this stage and will be part of subsequent communication. Separately, Abbott Capital India (acquirer) and Abbott Laboratories have made an Open Offer to the public shareholders of Solvay Pharma India to acquire up to 1,009,942 voting equity shares of Rs 10 each, representing in the aggregate 20% of the voting equity capital of Solvay Pharma at a price of Rs 3,054.73 per share payable in cash. The Offer shall open on April 07, 2010, while the date of closing of the Offer has been fixed at April 26, 2010. DSP Merrill Lynch has been retained as the Manager to the Open Offer.

### Dishman Pharma enters into strategic alliances with US-based Codexis

Dishman Pharmaceuticals & Chemicals has entered into a strategic alliance with California-based biotechnology company, Codexis. This strategic partnership covers the use of Codexis' proprietary enzymatic bio-catalysis technology for the manufacture of building blocks, intermediates and APIs for innovator pharmaceutical companies. The Company will be a preferred contract manufacturer for Codexis and will be able to offer the technology to its own customers. In addition, the companies will work exclusively on certain select accounts. Codexis offers a wide selection of enzymes for the pharmaceutical synthesis of chiral compounds. In comparison to traditional chemical synthesis, this technology offers a number of significant advantages: cost reduction compared with conventional complex transformations as a result of telescoped processes, increased specificity gives improved yields and often improved impurity profiles, significant reduction in environmental impact through reduce use of organic solvents and reduced energy Processes. This alliance will benefit Codexis and its customers by enabling Codexis to offer production of both intermediates and final APIs in Dishman's world-class manufacturing asset base.



### Orissa to get Rs. 15 bn, 1,000-bedded super specialty hospital

US-based Euthenic Group Consortium has expressed interest to set up a 1,000-bedded super specialty hospital in Orissa at an investment of Rs. 15 bn. A delegation of the consortium met the Health & Family Welfare Minister of Orissa, Prasanna Acharya and discussed the proposed project. The proposed project would be completed within 18 to 24 months after getting the required land for the purpose. The project, which was said to boost health tourism in the state, would require 100 acre of land. While suggesting the delegation to submit a Detailed Project Report (DPR), the Minister said the state would examine the project seriously, and would sign a Memorandum of Understanding (MoU) to this effect, if the DPR is accepted.

### GlaxoSmithKline Pharma posts Rs. 5.07 bn consolidated PAT in CY09

GlaxoSmithKline Pharmaceuticals has posted Rs. 1,035.9 mn net profit (*Unaudited & Standalone*) in Q4CY09, as against Rs. 2,084.7 mn net profit in Q4CY08. Its total income has increased to Rs. 4.49 bn (*Unaudited*) in Q4CY09, as against Rs. 3.75 bn in Q4CY08. The Company has posted Rs. 5,122.9 mn net profit (*Audited & Standalone*) in CY09, as against Rs. 5,765.7 mn net profit in CY08. Its total income has increased to Rs. 19.09 bn (*Audited*) in CY09, as against Rs. 17.08 bn in CY08. The Group has posted Rs. 5,078.6 mn net profit (*Audited & Consolidated*) in CY09, as against Rs. 5,910.9 mn net profit in CY08. Its total income has increased to Rs. 19.26 bn (*Audited*) in CY09, as against Rs. 17.42 bn in CY08. Its Board of Directors has recommended 300% dividend i.e. Rs. 30 per equity share of Rs. 10 each.

- ✦ **Cadila Healthcare** has announced that its CMD Pankaj Patel has won "The E&Y Entrepreneur of the Year" award in the healthcare and life sciences category.
- ✦ **Elder Pharmaceuticals** has announced that the commercial activities have been commenced in Elder Bulgaria EOOD, the subsidiary of the step-down subsidiary of the Company in Bulgaria. Elder Bulgaria EOOD is engaged in distribution business in Bulgaria.

## BANKING & FINANCIAL SERVICES

### Religare Technologies partners with MAIA Intelligence for 1KEY BI



Religare Technova has announced that MAIA Intelligence, a leading provider of intuitive and robust Business Intelligence (BI) software products has announced Religare Technova IT Services (represented by brand Religare Technologies) as its consulting partner. Religare Technologies provides enterprise wide IT services to leading organizations in Financial Services, Insurance, Health Care and Life Sciences domain. 1KEY BI is a comprehensive Business Intelligence application catering to Strategic, Tactical & Operational data analysis & MIS reporting needs of multiple vertical industries. Under the new agreement, Religare Technologies plans to train and certify its consultants on the 1KEY BI in the coming months. The agreement will enable Religare Technologies to use 1KEY BI for development and demonstration purposes, and to promote 1KEY-based solutions to its enterprise customers. 1KEY BI reporting and analytics solutions are well-suited for the enterprise customers of Religare Technologies, and shall gain greater business insights from their large volumes of data. 1KEY BI enables business users to analyze a tremendous amount of information in an easy to use and highly visual manner, which helps them to quickly identify trends and gain greater insights into data to make analytically-based decisions.

### CARE reaffirms rating assigned to long-term bond issues of State Bank of Mysore

CARE has reaffirmed "AAA" rating to the various long-term instruments of State Bank of Mysore (SBM). Instruments with these ratings are considered to be of the best credit quality, offering highest safety for timely servicing of debt obligations. The ratings for Upper Tier-II/Perpetual Bonds factor in the additional risk arising due to existence of the lock-in clause in these instruments. Any delay in payment of interest/principal following the invocation of the lock-in clause, would constitute as an event of default as per CARE's definition of default, and as such these instruments may exhibit somewhat sharper migration of rating as compared to conventional subordinated debt instruments. The rating factors in majority ownership by State Bank of India, its long standing track record, its position as a premier bank in Karnataka, high technology orientation, and stable asset quality. Being one of SBI's six associate banks enables SBM to take advantage of business synergies in critical areas like credit, treasury, technology, financial flexibility etc., which thereby significantly strengthen the standalone credit quality of the bank.

### CARE assigns 'IPO Grade 4' to proposed IPO of United Bank of India



CARE has assigned "IPO Grade 4" to the proposed Initial Public Offer (IPO) of United Bank of India (UBI). UBI proposes an IPO of around 50 mn equity shares of face value of Rs. 10 each for cash at the market determined price. CARE IPO Grade 4 indicates "above average fundamentals".

The grading derives strength from 100% GoI ownership (which will come down to 84.2% after the IPO), 60 years' track record in banking industry, recapitalization support demonstrated by GoI in FY09, wide & expanding network of branches & ATMs, strong technology back-up with CBS implementation in all branches, continuous improvement in core lending activities with increasing exposure to high rated clients, increasing deposit base with satisfactory proportion of low cost deposits, comfortable capital adequacy ratio (CAR) & expected further recapitalization support from GoI and improving results in the current year. Improving corporate governance with formation of various committees in accordance with clause 49 of listing agreement also support the grading. The grading is however, constrained by relatively low level of profit, high slippages, relatively higher net NPAs, manifold increase in restructured accounts, geographical concentration in eastern & north-eastern states and intense competition in the domestic banking industry. UBI's ability to leverage its wide branch network, scale up its operations in other territories and generate higher fee based income shall remain the key rating sensitivities.

- ✦ As per a new study undertaken by Informate, the websites of segment **ICICI** and **SBI** have the highest reach across all age groups on BFSI and Online Trading category.
- ✦ **Temasek Holdings** has reduced its stake in **ICICI Bank** to 5.9%, constituting 65.6 mn shares, from 8.3% it held in September.
- ✦ **Bank of Rajasthan** has received a requisition from some shareholders for passing Special Resolution to enable the Bank to raise share capital for an amount not exceeding Rs. 2.5 bn.
- ✦ ICRA has assigned "LAAA" rating with a stable outlook to the Rs. 5 bn subordinated debt programme of **Housing Development Finance Corporation (HDFC)**. The ratings factor in HDFC's strong franchise, consistent profitable operations, sound asset quality indicators, superior solvency, adequate capital adequacy, large unrealized gains on investment book and comfortable liquidity position. HDFC's focus to grow while maintaining an interest spread of over 2%, a competitive operating cost structure and a tight control on asset quality would benefit the earnings and solvency of HDFC going forward as well.
- ✦ CARE has reaffirmed the "AAA" rating assigned to the various debt instruments of **Small Industries Development Bank of India (SIDBI)**. CARE has also retained the "AAA (FD)" rating assigned to fixed deposits programme of SIDBI for a limit of Rs. 20 bn.
- ✦ CARE has upgraded the rating assigned to **Ratnakar Bank's** Lower Tier II Bonds aggregating Rs. 3.8 crore from "BBB" to "BBB+". Instruments with this rating are considered to offer moderate safety for timely servicing of debt obligations.
- ✦ CARE has retained the existing "AAA" rating for the long-term borrowing programme (including bank loans) of **Reliance Capital** for a limit of Rs. 90 bn (enhanced from Rs. 70 bn). This rating is applicable to facilities having tenure of more than one year.
- ✦ **Yes Bank** and **Nokia** are partnering to offer mobile payment services enabling consumers to pay through the mobile phones. The service will be offered over a mobile payment platform developed by Obopay which is already partnering Yes bank. To start with, the services will be launched in Pune and will also be available through Nokia's retail network.

## MISCELLANEOUS

### Jet Airways announces new daily non-stop service to South Africa

Jet Airways (India), India's premier international airline, has announced that it will commence daily non-stop flights from Mumbai to Johannesburg from April 14, 2010. The airline will introduce services to the Rainbow Nation using a new state-of-the-art Airbus 330-200 aircraft. The launch of this new international route marks the first time that Jet Airways is adding destinations to Africa on its international route network. Flight 9W 242 will depart Mumbai at 0205 hours, arriving in Johannesburg at 0735 hrs. On the return leg, flight 9W 241 will depart Johannesburg at 1100 hrs, arriving in Mumbai at 2330 hrs. Return Economy fares from various Indian cities start from Rs. 35,595, while return Premiere (Business Class) fares start from Rs. 1,16,020. Johannesburg will be the twenty-second destination in the airline's international network. Jet Airways currently flies to New York (both JFK and Newark), Toronto, Brussels, London (Heathrow), Hong Kong, Singapore, Kuala Lumpur, Colombo, Bangkok, Kathmandu, Dhaka, Kuwait, Bahrain, Muscat, Doha, Abu Dhabi, Dubai, Jeddah, Sharjah and Riyadh.

### Stone India inks JV pact with Japan-based Sumitomo Electric

Stone India has signed an agreement effective from February 15, 2010, to enter into a Joint Venture with Japan-based Sumitomo Electric Industries (Sumitomo Electric) in a phase wise manner to locally manufacture air springs in India. This process will start with Stone India exporting metal parts of Air Springs to Sumitomo Electric Industries, Japan and will finally culminate in a JV between the two companies in near future. It can be noted that the Company had executed a technical collaboration agreement with Sumitomo Electric in Nov'07 for selective manufacturing and assembly of air spring systems for Railways, and also commenced bulk supply of air springs to Indian Railways.

- ✦ **Himalya International** has announced that funding of the Company's upcoming expansion project in Mehsana district of Gujarat at a cost of Rs. 1.3 bn for mushroom cultivation and processing, dairy products and breaded appetizers has been tied up with two lenders.
- ✦ **ITC** has increased the price of its popular brand, Gold Flake Kings cigarettes by 7%. It has raised the MRP of a pack of 10 cigarettes to Rs. 47 from Rs. 44 earlier.
- ✦ **Allcargo Global Logistics** has announced that its CMD Kiran Shetty has won "The Entrepreneur of The Year" award under service category from Ernst & Young.
- ✦ **Visagar Polytex** has opened Vividha design house at Chetan Seth Street, Kolkata to enable fancy yet practical creations. The design house will help the Company streamline its current portfolio of Vividha branded business activities namely manufacturing, wholesale & retail of sarees.
- ✦ The Board of Directors of **CMM Broadcasting Network** has approved the proposal to sell international broadcasting business of the Company to Vedic Broadcasting.
- ✦ Greatship Global Offshore Services – the Singaporean subsidiary of Greatship (India), a wholly owned subsidiary of **GE Shipping Company** – has contracted to sell its Multipurpose Platform Supply & Support Vessel (MPSSV) identified as Hull No. 342, which is currently under construction.
- ✦ The Board of Directors of **Sree Sakthi Paper Mills** has cleared a modernization-cum-expansion programme with a capital investment of Rs. 11.62 crore. The expansion is with an intention to improve the quality and reduce the cost of manufacture. The expansion project is expected to be completed by Aug'10 and is being funded partly through debt funds and partly through internal accruals.
- ✦ The Board of Directors of **GV Films** has approved the proposal to transfer Shanti Kamala theatres complex at Tanjore to its wholly owned subsidiary i.e. GV Studio City.
- ✦ The Board of Directors of **Lalphul Investments** has approved the proposal to raise the capital up to Rs. 2.4 crore by way of preferential allotment of shares and warrants.
- ✦ The Board of Directors of **Decolight Ceramics** has approved the proposal to raise up to Rs. 50 crore by way of QIP/GDRs/ADRs/FCCBs and/or any other suitable security.
- ✦ The Board of Directors of **Kalpena Industries** has approved the proposal for amalgamation of Alkom Specialty Compounds with the Company, subject to necessary approval.
- ✦ The Board of Directors of **Nivedita Mercantile & Financing** has approved the proposal to raise the capital up to Rs. 4.8 crore by way of preferential allotment of shares and warrants.
- ✦ The Board of Directors of **Golden Tobacco** has approved the MoU for the joint development of its property situated at SV Road, Vile Parle (Mumbai), with a reputed builder and also to shift the existing manufacturing activities.
- ✦ **Kisan Mouldings** has acquired new manufacturing unit located at Industrial Aria Phulera, in Jaipur district of Rajasthan. Phulera unit will be engaged in manufacture of PVC, SWR, HDPE pipe, PVC-moulded fittings and sprinkler system. In the 1st year, the Company plans to produce around 8,000 MT of PVC pipes & fittings with the help to the Phulera unit to get the total production of 11,000 to 12,000 MT. The unit is expected to start commercial production in Apr'10.
- ✦ **Jayshree Chemicals** is reportedly planning to float a Rights Issue in the ratio 9:2 to raise funds to part finance the company's expansion project. The Company plans to issue 2,39,94,374 equity shares at a face value of Rs 10 each and at a premium of Rs. 5.
- ✦ **Gloster Jute Mills** has announced that the strike called by Central Trade Unions of Jute Industry has been called off with effect from February 14, 2010 and manufacturing operations have resumed at Company's main unit.
- ✦ **Birla Corporation** has announced that the strike called by the workers' union at Birla Jute Mills, Birlapur has been called off in terms of the industry-wide tripartite settlement.
- ✦ **Shri Lakshmi Defence Solutions** – the wholly owned subsidiary of Shri Lakshmi Cotsyn – has entered into an agreement with Ukrinmash, a state foreign trade and investment firm of Ukraine for the supply of 100 armored vehicles (BTR-4) to the UN Mission. Besides, Shri Lakshmi Defence Solutions has also entered into another agreement with Abu Dhabi-based Adcom Military Industries for marketing of the company's armored vehicles in Middle East & Africa.
- ✦ **DMC International** has formed a new subsidiary in the name of DMC Institute of Retail Training Studies.



## RATINGS & OPEN OFFERS

### CARE reaffirms rating on LT borrowing program of Reliance Capital

CARE has retained the existing "AAA" rating for the long-term borrowing programme (including bank loans) of Reliance Capital (RCL) for a limit of Rs. 90 bn (enhanced from Rs. 70 bn). This rating is applicable to facilities having tenure of more than one year. The facilities with this rating are considered to be of the best credit quality, offering highest safety for timely servicing of debt obligations. The rating derives strength from RCL's robust capitalization, diversified revenue profile and strong business franchise of subsidiaries / associates in Asset Management, Life Insurance, General Insurance and Equity broking. The rating factors in the strong brand name and strength of the ADAG and the implicit support expected from the group given the strategic importance of the company. The rating also factors in deterioration in asset quality and profitability of the consumer finance division during FY09 and increasing exposure to associates/subsidiaries (especially to Reliance Life Insurance) which are in expansion stage & are yet to turn profitable. However, tightening of credit norms, discontinuation of unsecured loans business and improvement in asset-liability mismatch are positive measures which strengthen company's profile in the long run and are factored in the rating post FY09 performance.

### CARE reaffirms "BBB" rating on long-term bank facilities of Welspun Power & Steel

CARE has reaffirmed the "BBB" rating assigned to the long-term bank facilities of Welspun Power & Steel (WPSL). This rating is applicable for facilities aggregating Rs. 68.13 crore (reduced from Rs. 80.45 crore) having tenure of over one year. The facilities with this rating are considered to offer moderate safety for timely servicing of debt obligations. This rating is applicable for facilities aggregating Rs. 125 crore (enhanced from Rs. 38.66 crore) having tenure up to one year. The facilities with this rating would have adequate capacity for timely payment of short-term debt obligations and carry higher credit risk as compared to facilities rated higher. The ratings derive strength from WPSL's moderate gearing ratios, healthy profitability margins, and improvement in liquidity indicators, benefits derived from the proximity of its manufacturing facility to Kandla port for sourcing coal and support from the Welspun group.

### CARE reaffirms ratings assigned on bank facilities of Jai Balaji Jyoti Steels

CARE has retained "BBB-" rating for the long/medium term bank facilities of Rs. 81.4 crore (reduced from Rs. 211.1 crore) of Jai Balaji Jyoti Steels (JBJSL). This rating is applicable to facilities having tenure of more than one year. Further, CARE has assigned "PR3" rating to the short-term facilities of Rs. 3 crore of JBJSL. This rating is applicable for facilities having tenure up to one year. The above ratings continue to draw strength from the group support, experience of the promoters and low debt-equity ratio. Though profitability of JBJSL suffered a decline in FY09, the expected improvement in profitability in the ensuing years on the back of recent recovery in the steel sector supports the ratings. The ratings are however, constrained by JBJSL's relatively short track record, lack of backward and forward integration, volatility in raw material & finished goods prices, high overall gearing ratio, cyclicality in business and increased competition from unorganised sector players. Future trend in sales price realization vis-à-vis demand as well as the movement in major raw material prices and ability to maintain margins would remain the key rating sensitivities.

### Abbott makes Open Offer for Solvay Pharma

Abbott Capital India (acquirer) and Abbott Laboratories have made an Open Offer to the public shareholders of Solvay Pharma India (Solvay Pharma) to acquire up to 1,009,942 voting equity shares of Rs 10 each, representing in the aggregate 20% of the voting equity capital of Solvay Pharma at a price of Rs 3,054.73 per share payable in cash. The Offer shall open on April 07, 2010, while the date of closing of the Offer has been fixed at April 26, 2010. DSP Merrill Lynch Ltd. has been retained as the Manager to the Open Offer.

### Kernel Tech Networks makes Open Offer for Multifarious Trading

Kernel Tech Networks (acquirer) has made an Open Offer to the public shareholders of Multifarious Trading & Agencies to acquire 30,000 fully paid up equity shares of Rs. 10 each representing 20% of the expanded subscribed equity and voting share capital of Multifarious Trading & Agencies at an offer price of Rs. 100 apiece. The Offer shall open on April 12, 2010, while the date of closing of the Offer has been fixed at May 01, 2010. Sobhagya Capital Options Ltd. has been retained as the Manager to the Open Offer.

- ✦ ICRA has withdrawn the ratings assigned to the Purchaser Payouts backed by loans originated by **Sundaram Finance**.
- ✦ ICRA has assigned "LAAA" rating with a stable outlook to the Rs. 5 bn subordinated debt programme of **Housing Development Finance Corporation (HDFC)**.
- ✦ CARE has reaffirmed the "AAA" rating assigned to the various debt instruments of **Small Industries Development Bank of India (SIDBI)**. CARE has also retained the "AAA (FD)" rating assigned to fixed deposits programme of SIDBI for a limit of Rs. 20 bn.
- ✦ CARE has upgraded the rating assigned to **Ratnakar Bank's** Lower Tier II Bonds aggregating Rs. 3.8 crore from "BBB" to "BBB+". Instruments with this rating are considered to offer moderate safety for timely servicing of debt obligations.
- ✦ ICRA has revised the long term rating assigned to the term loans (amounting to Rs. 400 mn) of **ETA Constructions (India) Ltd. (ETACIL)** from "LA-(SO)" to "LBBB (SO)". ICRA has also revised the rating assigned to the Rs. 400 mn term loans, Rs. 50 mn cash credit and Rs. 50 mn non-fund based limits of ETACIL from "LBBB" to "LBBB". The outlook on the ratings is "Negative".
- ✦ ICRA has revised the ratings assigned to the Rs. 1.9 bn term loans of **Maruti Cotex (MCL)** from "LBB" to "LC". ICRA has reaffirmed "A4" rating to the Rs. 1.9 bn non-fund based limits of MCL.
- ✦ ICRA has revised the ratings assigned to Rs. 1.83 bn term loan limits of **Abhishek Corporation** from "LBB" to "LC". ICRA has reaffirmed the "A4" rating to the Rs. 632.5 mn working capital limits (fund and non-fund based) of the Company.

## INSURANCE & MUTUAL FUNDS

### Peerless MF launches Liquid Fund & Ultra Short Term Fund

Peerless Mutual Fund has launched two open-ended schemes named as Liquid Fund and Ultra Short Term Fund. The Liquid Fund is an open-ended liquid scheme, and the New Fund Offer (NFO) price for the scheme is Rs. 10 per unit. The investment objective of the scheme is to provide a high level of liquidity with reasonable returns commensurate with low risk through a portfolio of money market and debt securities. The scheme would offer Super Institutional Plan, Institutional Plan and Retail Plan. The scheme's performance would be benchmarked against CRISIL Liquid Fund Index. The Ultra Short Term Fund is an open-ended debt scheme, and the NFO price for the scheme is Rs. 10 per unit. The investment objective is to provide optimal returns and liquidity to the investors by investing primarily in a mix of money market and short term debt instruments which results in a portfolio having marginally higher maturity as compared to a liquid fund at the same time maintaining a balance between safety and liquidity. The scheme would offer Super Institutional Plan, Institutional Plan and Retail Plan. Both the new schemes' performance would be benchmarked against CRISIL Liquid Fund Index. Both the new issues are open for subscription from February 17, 2010 and closes on February 18, 2010. Both the schemes will be managed by Ganti N. Murthy.

### IDFC Mutual Fund launches new close-ended income scheme

IDFC Mutual Fund has launched a new fund named as IDFC Fixed Maturity Plan - Half Yearly Series 9, a close-ended income scheme. The New Fund Offer (NFO) price for the scheme is Rs. 10 per unit. The new issue is open for subscription from February 17, 2010 and closes on February 22, 2010. The investment objective of the Scheme is to seek to generate income by investing in a portfolio of debt and money market instruments maturing before the maturity of the scheme. The tenure of the scheme is six months and it shall mature on August 23, 2010. The plan under the scheme offers growth and dividend option. The scheme will allocate up to 100% of assets in debt and money market instruments with low to medium risk profile. Investment in securitised debt shall be up to 50% of net assets of the plan. Entry and exit load charge will be nil. The units are proposed to be listed on the NSE. The minimum application under the Plan A is Rs. 10000 in multiples of Re. 1 thereafter. The scheme's performance will be benchmarked against Crisil Composite Bond Fund Index and will be managed by Anupam Joshi.

### Hang Seng BeES... Benchmark MF unveils open-ended Exchange Traded Scheme

Benchmark Mutual Fund has launched a new fund named as Hang Seng Benchmark Exchange Traded Scheme (Hang Seng BeES), an open-ended listed index scheme (Exchange Traded Fund). Each unit of the Scheme being offered will have a face value of Rs. 10 each and will be issued at a premium approximately equal to the difference between face value and 1/100<sup>th</sup> of the value of Hang Seng Index. The new issue is open for subscription from February 15, 2010 and closes on February 24, 2010. The investment objective of the Scheme is to provide returns that, before expenses, closely correspond to the total returns of securities as represented by Hang Seng Index of Hang Seng Data Services, by investing in the securities in the same proportion as in the Index. The scheme offers only growth option. The scheme will allocate 90% to 100% of assets in securities constituting Hang Seng Index with medium to high risk profile. It would further invest up to 10% of assets in money market instruments, government securities, bonds, debt instruments and cash at call, mutual fund schemes/overseas exchange traded funds based on Hang Seng Index with low risk profile. Entry load and exit load charge is nil for the scheme. The minimum application amount is Rs. 10,000 and in multiples of Re. 1 thereafter. The scheme's performance will be benchmarked against Hang Seng Index.

### Franklin Templeton MF launches close-ended income scheme

Franklin Templeton Mutual Fund has floated a close-ended income scheme named as Franklin Templeton Fixed Tenure Fund - Series XII - Plan C. During the New Fund Offer (NFO), the units will be offered at face value of Rs. 10 per unit. The new issue will be open for subscription from February 19, 2010 and close on March 31, 2010. The investment objective of the scheme to generate returns and reduce interest rate volatility, through a portfolio of fixed income securities that are maturing on or before the maturity of the scheme along with capital appreciation through equity exposure. The tenure of Plan C is 5 years from the date of allotment and it will mature on April 22, 2015. The entry and exit load charge for the plan will be nil. Benchmark index for the Plan is - 25% S&P CNX500 + 65% CRISIL Composite Bond Fund Index +10% CRISIL Liquid Fund Index.

- ✦ **Franklin Templeton MF** has announced the merger of Templeton Monthly Income Plan - Half Yearly Dividend Plan and Growth Plan into FT India Monthly Income Plan - Plan B. The merger will be effective from March 19, 2010. The period of this no load exit offer is valid from February 18, 2010 to March 19, 2010.
- ✦ **UTI Mutual Fund** has announced the declaration of bonus on the face value of Rs. 10 per unit under UTI Unit Linked Insurance Plan. The record date for bonus has been fixed as February 23, 2010. The quantum of bonus will be in the ratio of 1:10. The units will be allotted on the day immediately after the record date at ex-Bonus NAV of the record date.
- ✦ **UTI Mutual Fund** has launched a new fund named as UTI Fixed Term Income Fund - Series VII - II (407 days), a close-ended income scheme. The new issue is open for subscription from February 15, 2010 and closes on February 22, 2010. The tenure of the scheme is 407 days from the date of allotment of units. The maturity date of the scheme is April 05, 2011. The scheme offers dividend and growth option.
- ✦ According to reports, as many as 23 firms are awaiting approval from the market regulator SEBI to enter into mutual fund space.

## M&As

### M&As touch \$2.5 bn in Jan: Grant Thornton

In India, the Mergers & Acquisitions activities witnessed a significant upturn in January with the deal tally touching \$2.5 bn, jumping 42% over the same period last year. According to global consultancy firm Grant Thornton, corporate India announced as many as 56 M&As worth \$2.5 bn in January and the growth was significant both in terms of number of deals as well as in their size. The number of M&As has trebled in Jan'10, in comparison to Jan'09 and value has also shown an increase. There are several indications that the momentum will continue and we expect to see many more deals compared to last year. India Inc looked within for mergers and acquisitions as domestic deals cornered the lion's share of the total M&A pie. The total value of domestic deals in Jan'10 stood at \$2,167 mn through 32 deals compared to \$1,324 mn via eight deals in Jan'09. Separately, according to the monthly deal report of VCCEdge, the M&A deal value stood at \$2.8 bn Jan'10 and the recent \$10.7 bn Bharti-Zain offer takes the total kitty to over \$13 bn.



Grant Thornton

### Bharti Airtel offers to buy Zain's African unit; Govt assures possible help to facilitate the deal



Bharti Airtel and Zain have agreed to enter into exclusive discussions until 25 March 2010 for the acquisition of Zain's African unit (Zain Africa BV). This potential transaction does not include Zain's operations in Morocco and Sudan and remains subject to due diligence, customary regulatory approvals and signing of final transaction documentation. There can be no assurance that a transaction will be consummated. Meanwhile, the Kuwait-based Zain Board has accepted Bharti Airtel's proposal to buy its Africa operations excluding Morocco and Sudan in a \$10.7 bn all-cash deal. The total agreed Enterprise Valuation of US\$10.7 bn is likely to result in a total payout of around US\$9 bn (which includes any loans payable by the operating companies to Zain Group) based on the estimated net debt of approximately US\$1.7 bn as on 31st December 2009. It has been agreed that a sum of US\$700 mn out of the total payable amount would be paid after one year from closing. The parties have also agreed to a break-fee of US\$150 mn payable by either side on terms and conditions customary to a deal of this nature and size. If the deal is successful, Bharti will become an operator in 15 countries in Africa - Burkina Faso, Chad, Democratic Republic of the Congo, Republic of the Congo, Gabon, Ghana, Kenya, Madagascar, Malawi, Niger, Nigeria, Sierra Leone, Tanzania, Uganda and Zambia. Zain operates services in 23 countries and had over 70 mn subscribers as of September, 2009. It has a market cap of \$16.2 bn. In a separate development, the Government said it will provide all help possible to aid Bharti Airtel complete the acquisition of Kuwait-based Zain's telecom operations in Africa.

### Tube Investments acquires Sedis SAS of France

Tube Investments of India has entered into a Share Purchase Agreement for acquisition of Sedis SAS of France through acquisition of its holding company i.e. Financiere C10. As per the SPA, the Company has acquired 77.13% shareholding of Financiere C10 in the first tranche, primarily from the institutional shareholders and the balance 22.87% held by the key management persons will be acquired in the second tranche on or before March 31, 2013. Sedis SAS is a wholly owned subsidiary of Financiere C10 and is a pioneer in the manufacture of Industrial and Engineering Class Chains with two manufacturing plants in France. Financiere C10 also has two other distribution companies as wholly owned subsidiaries viz., S2CI in France and Sedis Co in UK. Sedis is a leading manufacturer of industrial and engineering class chains in France and possesses a product range covering the requirements of a whole range of industries including the high growth infrastructure sector.



### JPMorgan Chase to buy non-North American units of RBS Sempra Commodities



After four weeks of exclusive talks, JPMorgan Chase & Company will buy the non-North American units of RBS Sempra Commodities – the JV commodities business of Royal Bank of Scotland (RBS) and Sempra Energy – for about \$1.7 bn. For JP Morgan, the deal will near-double its global commodities business, run by Blythe Masters, propelling it into the top four commodities businesses in the world. The deal is subject to regulatory approval, with cash payments for the RBS Sempra assets due at closing, which is expected by the end of June. But the investment banking arm of US banking conglomerate JP Morgan Chase failed to buy RBS Sempra's US assets, following concerns over incoming American rules over bank's ownership of risky trading businesses. JP Morgan has agreed to buy RBS Sempra's global oil, global metals and European power and gas assets and RBS said it would receive 47% of the of the sale proceeds "post partner distribution" equivalent of \$799 mn. RBS will use the money, which will have a slight positive impact on capital ratios, to repay borrowings. The remaining businesses, largely the unit's US business, will be retained by RBS Sempra until a buyer is found.

- ✦ **Nomura** plans to buy the natural gas and power trading business of Canada-based Nexen in a move to boost its presence in commodities trading. Nomura has entered into a binding agreement to acquire Nexen Energy Marketing London.
- ✦ **Arrow Coated Products (UK)** – a subsidiary of **Arrow Coated Products** – has acquired 51% stake in UK-based Advance IP Technologies and accordingly the latter has become step-down subsidiary of the Company. Advance IP Technologies is engaged in the business of Intellectual Property Rights and Patents.

## M&As

### SkillSoft agrees to go private in \$1.1 bn cash deal with investor group

Dublin, Ireland-based e-learning and performance support solutions provider, SkillSoft has agreed to be bought by SSI Investments III, a new company formed by private-equity firms Berkshire Partners, Advent International Corporation and Bain Capital Partners for about \$1.1 bn in cash. Under the terms of the recommended acquisition, SkillSoft's shareholders will receive US\$10.8 in cash for each ordinary share or American Depositary Share. The acquisition has been unanimously approved by SkillSoft's Board of Directors and a committee of independent directors. The Board intends to recommend to SkillSoft shareholders to vote in favor of the deal. SkillSoft will continue to be headquartered in Dublin, Ireland and will be led by the current management team, including Chuck Moran as CEO. The Board of SSI confirmed that the existing employment rights, including pension rights, of all employees of the SkillSoft Group will be fully safeguarded. The acquisition will be financed from debt financing provided by Morgan Stanley and Barclays Bank, along with equity commitments from each member of the Investor Group. Credit Suisse Securities (USA) is acting as financial advisor to SkillSoft. WilmerHale and William Fry are legally advising SkillSoft. Morgan Stanley is acting as lead financial advisor, Barclays as financial advisor, and Ropes & Gray and Mason Hayes + Curran as legal advisors to the Investor Group.



### Yara International to acquire Terra Industries for about US\$4.1 bn



Nitrogen products maker Terra Industries has agreed to be acquired by Norway-based Yara International (Yara) for about US\$4.1 bn (US\$41.10 per share) in cash. Terra's Board of Directors unanimously approved a definitive merger agreement with Yara. Yara specializes in agricultural products and environmental protection agents. It is the world's largest supplier of mineral fertilizers. When Yara and Terra complete the transaction, Terra will become a wholly-owned subsidiary of Yara and will be called Yara North America. Yara North America will oversee all North American operations for the combined company, including Yara's manufacturing and sales facilities in the US and Canada. Credit Suisse Securities (USA) is serving as Terra's financial advisor. Cravath, Swaine & Moore and Wachtell, Lipton, Rosen & Katz are its legal counsel.

### Walgreen agrees to acquire Duane Reade for \$1.07 bn cash

Deerfield, Illinois-based drugstore chain operator Walgreen Company has agreed to acquire New York rival Duane Reade Holdings from affiliates of Oak Hill Capital Partners for \$1.07 bn in an all-cash transaction, including the assumption of debt. The combined company will acquire a leadership position in the nation's largest retail and drugstore market. Walgreens expects the transaction to close by August 31, its current fiscal year-end. Following the closure of the deal, Duane Reade will continue its brand identity while accelerating Walgreens Customer Centric Retailing initiative in urban markets by adding all 257 Duane Reade stores located in the New York City metropolitan area to Walgreens' 70 stores in the same area. Walgreen will fund the transaction with existing cash. Apart from the 257 Duane Reade stores, Walgreens will also acquire the corporate office and two distribution centers. Walgreen also agreed to acquire the pharmacy business and certain other assets of 25 company-owned Snyder's Drug Stores in Minnesota in January.



- ✦ According to the monthly deal report of VCCEdge, the M&A deal value stood at \$2.8 bn Jan'10 and the recent \$10.7 bn Bharti-Zain offer, wherein Bharti intends to buy Kuwait-based Zain telecom's mobile operations in Africa, takes the total kitty to over \$13 bn. In terms of deal size, the Bharti-Zain deal would be the third largest transaction involving an Indian firm after an estimated \$13.5 bn offer by Reliance to get control of the bankrupt petrochemicals firm LyondellBasell Industries (which is currently under discussion) and the Tata Steel's takeover of Europe-based Corus for \$12 bn.
- ✦ **Zenith Birla (India)** has announced that the Bombay High Court has sanctioned the Scheme of Arrangement providing for demerger of tools division of the Company and merger of the said division with Birla Precision Technologies and merger of Tungabhadra Holdings with the Company. As per the scheme, the equity shareholders of Zenith Birla (India) will be issued equity shares of Birla Precision Technologies in the ratio of two equity share of Rs. 2 each credited as fully paid up of Birla Precision Technologies for every five equity shares of Rs. 10 each held in Zenith Birla (India). Further, the Company will issue and allot equity shares of Rs. 10 each to the shareholder of Tungabhadra Holding in the ratio of nineteen equity share of Rs. 10 each of the Company for every seven equity shares of Rs. 10 held in Tungabhadra Holding.
- ✦ The Board of Directors of **Zuari Industries** shall meet on February 22, 2010 to consider the Scheme of amalgamation of Gobind Sugar Mills with the Company.
- ✦ Hinduja Swiss Holding has acquired Swiss bank Banca Commerciale Lugano, which will be merged with its subsidiary Hinduja Bank (Switzerland).
- ✦ **Kraft Foods** has received "valid acceptances" from nearly 91% of Cadbury shareholders for its £11.9 bn takeover deal. Kraft has also started the procedure to compulsorily buy all of the outstanding Cadbury shares.
- ✦ **Ruchi Soya Industries** has announced that the Mumbai High Court has directed that a meeting of the equity shareholders of the Company will be held on March 11, 2010 to consider the proposed amalgamation and arrangement embodied in the Scheme of Amalgamation and Arrangement of Mac Oil Palm and Ruchi Soya Industries.
- ✦ **Tata AutoComp Systems** has reportedly sold about 6% stake in its JV firm Automotive Stampings and Assemblies for Rs. 35.8 mn.
- ✦ The Board of Directors of **Infotrek Syscom** has approved the amalgamation of company's subsidiary i.e. Eco Recycling with the Company. The appointed date for the said Amalgamation shall be January 01, 2010.

## ENSUING EVENTS

### **CII to organize 5<sup>th</sup> Brand Summit 2010 in Bangalore**

The Confederation of Indian Industry (CII) is organizing Brand Summit 2010, the fifth edition of the successful series from 19<sup>th</sup>-20<sup>th</sup> February 2010 at Hotel Taj West End, Bangalore. The theme of this year's Summit is *"Marketing Disruption: In the era of discontinuity, how to build Brands."* The theme was chosen because marketing disruption is taking place at three interconnected levels - emergence of new media, creation of new customers and advancement of technology. The Summit is supported by Advertising Agencies Association of India (AAAI); Indian Broadcasters Foundation (IBF); Indian Newspaper Society (INS); Indian Society of Advertisers (ISA) and International Advertising Association - India Chapter (IAA). The Summit would focus on the key areas like: Disruption by the New Age Customer; Disruption by Rise of New Media; Disruption by Technological Advances; Co-Creation of Products, Commercial Content & Enhanced Consumer Experience; Engaging with Consumer through Celebrities, and Enhancing Shareholders Value.



### **2<sup>nd</sup> Bangalore International Automotive Expo on 11-15 Mar**

Bangalore will proudly host the 2<sup>nd</sup> edition of "Bangalore International Automotive Expo 2010 (BIAE 2010)". BIAE 2010 is the largest international auto event in South India is scheduled from the 11<sup>th</sup> to 15<sup>th</sup> of March 2010 at the Palace Grounds. The expo is timed to reflect the global changes and domestic challenges in the automobile industry by showcasing over 500 world-class automotive brands, designs and technology to over 200,000 affluent visitors, 10,000 business visitors and the media. Concurrently, the auto show will also feature special event-in-events, seminars, buyer-seller meets and interactive forums. BIAE 2010 is organized in collaboration with important and respected industry bodies, whose support the organizers experience and delegations from 30 countries promises to make this a premium and spectacular auto show in South India. BIAE 2010 will serve as an effective platform to facilitate JVs, partnerships/ associations, sourcing, dealerships and networks. Besides the event will bring together auto manufacturers, component manufacturers, OEMs, accessory manufacturers, services, garage equipment, testing equipment and automotive aftermarket under one roof to activate new marketing plans, prepare launch pads, test market, generate qualitative enquiries, enable companies to interact on a one to one basis with customers. The auto expo while focusing on important factors such as alternative fuels, safety, environment initiatives, ITeS and design concepts in automotive industry will also feature visitor attractions to include design competitions, celebrity appearances, career fair, workshops, vintage vehicles gallery, awards, test & trail tracks. BIAE 2010 is a valuable stage for exhibitors to showcase their products and grab a generous slice of South India's multi-billion dollar automotive industry.

### **TERI, IGNOU to organize 3<sup>rd</sup> International Conference on Digital Libraries**

Digital Libraries are increasingly playing a vital role in business, research and education and facilitating 'anytime, anywhere access' to knowledge resources. They are emerging as a crucial component of global information infrastructure and resources that bring the physical library and information resources to users in digital form. TERI in partnership with IGNOU is organizing the Third International Conference on Digital Libraries (ICDL) from 23 to 26 February 2010, the theme of which is "Shaping the Information Paradigm". Apart from theme related special sessions and tutorials there will be a special focus on web-based methodologies in teaching and learning, multimedia content, Digital Libraries (DL) standards, Knowledge Management, Copyright and Digital Rights Management (DRM) etc. The conference will be inaugurated by HRD Minister Kapil Sibal at India Habitat Center, New Delhi. The Embassies of Austria and the Netherlands and renowned organizations such as Goethe Institute, Defence Research and Development Organization (DRDO), Indian National Science Academy (INSA), Council of Scientific and Industrial Research (CSIR) and the Commonwealth Educational Media Centre for Asia (CEMCA), are lending support to the conference which would see around 46 luminaries from the field of digital library sciences participating to share their views on the conference theme related issues.

## GLOBAL ECONOMY

### Obama meets Dalai Lama ignoring Chinese objections

US President Barack Obama held talks with exiled Tibetan spiritual leader Dalai Lama at the White House on Thursday, ignoring Chinese warnings that such a move would further deteriorate the already strained relations between Washington and Beijing. The US President hosted the Dalai Lama at the Map Room in the White House, and not the customary Oval Office where American presidents generally hold talks with visiting international leaders.



Obama's meeting with the Tibetan leader came notwithstanding objections from China, which considers Dalai Lama to be a separatist. China has warned that any move by Obama to meet the Tibetan leader would undermine ongoing efforts to restore the already strained Sino-US relations.

### Fed announces surprise hike in discount rate



The Federal Reserve has announced a surprise hike in the interest rate it charges banks for emergency loans. Responding to what it said was continued improvement in financial market conditions the Fed said it is increasing the so-called discount rate by 25 bps to 0.75%. The Fed statement said the moves were approved unanimously by the Federal Reserve Board, and would take effect on February 19, 2010. While the move drew an immediate spike in the US dollar on feelings a tightening of credit was nearing, the Fed attempted to dispel the notion. It repeated its previous statement that economic conditions are likely to warrant exceptionally low levels of the federal funds rate for an extended period. The Fed said the move widens the spread between the primary credit rate and the top of the federal funds target rate to 0 to 0.5% from the previous 0 to 0.25%. The Fed said its moves were intended to normalize its operations as its response to the financial crisis winds down.

### Aid to poorer nations will fall short of promises: OECD

Aid to developing countries in 2010 from the richer nations will be less than what was promised five years ago at the Gleneagles summit, reveals a study undertaken by Paris-based Organisation for Economic Co-operation & Development (OECD). According to OECD, the total aid will be \$107 bn this year – less than the \$128 bn pledged five years ago. Out of this \$21 bn shortfall, \$17 bn is the result of lower-than-promised giving by the donors and the rest is the result of lower-than-expected national incomes. In 2005, fifteen countries that are members of the EU and the OECD Development Assistance Committee committed to donate a minimum of 0.51% of their gross national income. Many of that group will likely deliver on their promises, the OECD said, with Sweden at 1.03% of GNI leading the way. Other countries likely to hit their target include Luxembourg, Denmark, the Netherlands, Belgium, the UK, Finland, Ireland and Spain. But others, including France, Germany and Italy, will fall short. According to OECD, Africa will suffer the biggest shortfall in aid. The continent will likely receive only \$12 bn of the \$25 bn originally promised, due in large part to the underperformance of some European donors. Eckhard Deutscher, who chairs the OECD's Development Assistance Committee, blamed Austria, France, Germany, Greece, Italy, Japan and Portugal for the aid shortfall.



### Economic growth in Eurozone eased to 0.1% in Q4

Eurozone economic growth slowed more than expected in Q4CY09, as the German economy stagnated and the Italian economy unexpectedly contracted. The Gross Domestic Product (GDP) rose 0.1% QoQ in Q4CY09 as per the flash estimate from the Eurostat, while growth slowed from 0.4% recorded in Q3CY09. Compared to the previous year, GDP fell 2.1%, slower than a 4% contraction recorded in Q3CY09. Over the whole year 2009, GDP fell by 4%. The German economy stagnated in Q4CY09 after a healthy 0.7% growth in Q3CY09. Italy's economy contracted 0.2%, reversing 0.6% gain. Meanwhile, the French economy logged 0.6% growth in Q4CY09, up from 0.2% in Q3CY09. Contraction eased to 0.1% from 0.3% in Spain. Fall deepened in Greece as the country struggles with mounting debt. The GDP fell sharply by 0.8 QoQ in Q4CY09, following 0.5% decline in Q3CY09. The economic growth in Eurozone eased to 0.1% in Q4CY09 from 0.3% in Q3CY09.



### Bank of Japan holds rate, maintains assessment



The Bank of Japan (BoJ) has maintained its key interest rate at near-zero and held off for another month on unveiling further support measures to tackle deflation. The Policy Board of the central bank has decided to leave its un-collateralized overnight call rate unchanged at 0.1% and pledged to maintain an extremely accommodative financial environment. The last change in the rate was a 0.1% cut in Dec'08. The bank retained its assessment of the domestic economy, saying growth is picking up mainly due to various policy measures taken at home and abroad, although there is not yet sufficient momentum to support a self-sustaining recovery in domestic private demand. The BoJ's baseline scenario projects the pace of improvement in the economy to remain moderate until around the middle of fiscal 2010. Thereafter, the BoJ expects export-driven growth in the corporate sector to spill over to the household sector, and predicts the economic growth rate to gradually rise.

- ✚ Russia's industrial production grew 7.8% YoY in Jan'10, while on monthly basis, the industrial output fell 20.4%.
- ✚ European leaders have reached in a deal to help Greece tackle its debt crisis and pledged to bring stability in the Eurozone. They said Greece must take more measures to control its huge debts and needs to cut its budget deficit by 4% this year.

## GLOBAL ECONOMY

### Japan GDP rises 1.1% QoQ in Q4

The Japanese economy expanded by 1.1% in Q4CY09 compared to the previous three months. On an annualized basis, GDP jumped 4.6%, topping estimates for a 3.5% increase after the revised flat showing in the previous three months. An encouraging sign was the 1% quarterly increase in capital expenditure - the first such positive reading in seven quarters. But private residential investment was 3.4% on quarter and public fixed investment fell 1.6% on quarter. Exports were up 5% QoQ, while imports climbed 1.3% QoQ, and private consumption was up 0.7% QoQ. For all of 2009, GDP was down 5% compared to the previous year, while nominal GDP shed 6% to \$5.085 trillion - but that was enough to keep Japan as the world's No. 2 economy ahead of China, which had \$4.9 trillion in 2009. For the year, imports were down 17% and exports fell 24%, and private consumption eased 1%.



### US business inventories fall 0.2% in Dec; retail sales up 0.5% in Jan

The business inventories in the US fell 0.2% in Dec'09 following an upwardly revised 0.5% increase in Nov'09. The inventories at merchant wholesalers fell 0.8% in Dec'09 after jumping by 1.6% in Nov'09. The inventories at manufacturers edged down by 0.1% in Dec'09 after rising by 0.2% in Nov'09, while the inventories at retailers were unchanged after falling by 0.2% in Nov'09. The business sales increased 0.9% in Dec'09 after surging up by 2.4% in Nov'09. The total business inventories/sales ratio edged down to 1.26 in Dec'09 from 1.27 in Nov'09. Separately, the retail sales in the US increased 0.5% in Jan'10 following a revised 0.1% decrease in Dec'09. A rebound in sales at electronics and appliance stores contributed the increase in total sales, with sales at the stores increasing by 1.2% in Jan'10 following a 3.5% drop in Dec'09. The report also showed that sales by motor vehicle and parts dealers were flat in Jan'10 following a 0.1% increase in Dec'09. Excluding auto sales, retail sales increased by 0.6% in Jan'10 compared to a 0.2% decrease in Dec'09.

### Canadian new automobile sales up 2.6% in Dec

Canadian new automobile sales rose in Dec'09, driven by higher sales of North American-built passenger cars. New motor vehicle sales increased 2.6% to 128,663 units in Dec'09. The monthly sales averaged around 124,000 units in 2009, whereas the monthly average in 2008 was approximately 140,000 units. Preliminary industry data indicate that the number of new motor vehicles sold was relatively unchanged in Jan'10. The number of new passenger cars sold in Dec'09 increased 2.5% to 64,568 units. The number of overseas-built passenger cars sold decreased by 1%. Sales of new trucks increased 2.7% to 64,095 units in December, partially offsetting November's decrease.

### UK house prices jump 3.2% MoM in Feb: Rightmove

The house prices in England and Wales increased at the fastest pace in nearly three years in February. According to Rightmove, the asking prices for English and Welsh homes grew 3.2% MoM in Feb'10, following the 0.4% increase in Jan'10. The average asking price stood at £229,398 in Feb'10, surging up from £222,261 in Jan'10. The average asking price for a Greater London home jumped 5% to £427,987 in Feb'10. The home prices in England and Wales climbed 6.1% YoY in Feb'10 adding to the 4.1% gain in Dec'09. Rightmove said the number of properties coming to the stock-starved housing market saw a welcome increase during Feb'10, with over 90,000 new listings on the website. But despite the improvement, new property listings are still down 37% from the average levels seen between 2005 and 2008.

- ✦ The National Association of Home Builders/Wells Fargo Housing Market Index rose to 17 in Feb'10 from 15 in Jan'10, reflecting an improvement in builder confidence in the market for newly built, single-family homes. The increase by the housing market index reflected increases by two out of three of its component indexes. The index gauging current sales conditions rose to 17 in Feb'10 from 15 in Jan'10, while the index gauging sales expectations in the next six months rose to 27 in Feb'10 from 26 in Jan'10. Meanwhile, the component gauging traffic of prospective buyers remained flat, at 12.
- ✦ ABC News said that its consumer comfort index averaged minus 49 in the week ended February 14 compared to minus 48 a week ago. The index is just 5 points from its all-time low and is well away from its long-term average of minus 13 in 24 years of weekly polls. Only 8% of survey respondents rated the economy positively, while just 24% think it is a good time to spend money. Some 44% of respondents rate their personal finances positively.
- ✦ The consumer sentiment unexpectedly deteriorated in Feb'10, compared to the previous month, according to the preliminary report of Reuters and the University of Michigan. The report showed that the consumer sentiment index fell to a reading of 73.7 in Feb'10 from the final reading of 74.4 in Jan'10.
- ✦ The US industrial production increased 0.9% in Jan'10 following an upwardly revised 0.7% rise in Dec'09. The output from the manufacturing sector increased 1.0% in Jan'10 after edging down by 0.1% in Dec'09. Utilities output increased 0.7% in Jan'10 after surging up by 6.3% in Dec'09, while mining output rose by 0.7% in Jan'10 after edging down by 0.2% in Dec'09. Capacity utilization in the manufacturing sector rose to 69.2% in Jan'10 from 68.4% in Dec'09, while capacity utilization in the mining and utilities sectors rose to 86.2% and 83.1%, respectively.
- ✦ The housing starts in the US rose 2.8% to an annual rate of 591,000 in Jan'10 from the upwardly revised estimate of 575,000 in Dec'09. With the increase, housing starts rose to their highest annual rate in six months and are 21.1% above the Jan'09 rate of 488,000. The increase in housing starts was partly due to a 17.6% jump in new construction of multi-family homes, although single-family housing starts also edged up by 1.5%. Meanwhile, the building permits fell by 4.9% to an annual rate of 621,000 in Jan'10 from the revised rate of 653,000 in Dec'09.

## GLOBAL BUSINESS

### Yahoo!, Microsoft partnership gets regulatory approval

Yahoo! and Microsoft Corporation have announced that their search-engine combination has received regulatory clearance from both the US Department of Justice and the European Commission. The companies said they would now proceed with implementing the search-engine alliance. In a joint statement, the companies said the implementation involves shifting Yahoo!'s algorithmic and paid search platforms to Microsoft, with Yahoo! becoming the exclusive relationship sales force for both companies' premium search advertisers globally. The companies plan to complete the transition in the US by the end of 2010. Upon the implementation of the deal, both Yahoo and Microsoft will provide an highly improved search-engine with voluminous space and efficiency for advertisers and better monetization opportunities for web publishers through a platform that contains a larger pool of search queries. In the combined search-engine platform, Microsoft will provide Yahoo! with the same search result listings available through Bing, and Yahoo! will innovate around those listings by integrating rich Yahoo! content, enhanced listings with conveniently organized information about key topics, and tools to tailor the experience for Yahoo! users.



### Dell annual revenue fell 13% YoY to \$52.9 bn



Round Rock, Texas-based world's third largest maker of server computers, Dell has posted \$334 mn GAAP net income in Q4CY09, as against \$351 mn GAAP net income in Q4CY08. Excluding items, its non-GAAP net income stood at \$544 mn in Q4CY09, as against \$554 mn in Q4CY08. Its GAAP gross margin fell to 16.6% in Q4CY09, as against 17.2% in Q4CY08, while its non-GAAP gross margin declined to 17.4% in Q4CY09, as against 18.2% in Q4CY08. In Q4CY09, Dell's GAAP and non-GAAP operating margins remained flat with last year at 3.4% and 5.4%, respectively. Its revenue rose 11% YoY to \$14.9 bn in Q4CY09, as against \$13.43 bn in Q4CY08. Its combined sales in the BRIC jumped 72%, including 81% growth in China. Desktop PC revenue for the fourth quarter fell 3% to \$3.4 bn, while mobility revenue, which includes laptop PCs, rose 16% to \$4.7 bn. Its services revenue jumped 51% YoY to \$1.9 bn, while storage revenue slid 15% to \$599 mn in Q4CY09. Its GAAP net income fell 42% to \$1.4 bn in the fiscal year ended January 29, 2010, as against \$2.5 bn GAAP net income in the year-ago period. Its annual non-GAAP net income declined 28% YoY to \$2.1 bn, as \$2.9 bn in the year-ago period. Its annual revenue fell 13% YoY to \$52.9 bn, as against \$61.1 bn in the year-ago period.

### Microsoft unveils new advanced windows phones

Redmond-based software behemoth, Microsoft Corporation has unveiled the next generation of Windows Phones, Windows Phone 7 Series. The new advanced windows phones have been introduced by Microsoft CEO Steve Ballmer at Mobile World Congress 2010. According to the Company, the new mobile software platform is distinguished by smart design and truly integrated experiences that bring to the surface the content people care about from the Web and applications. Windows Phone 7 Series will also bring together Xbox LIVE games and the Zune music and video experience on a mobile phone for the first time. The smart design features of Windows Phone 7 Series include dynamically updated "live tiles" on the Start screen which show users real-time content directly, breaking the mold of static icons that serve as an intermediate step on the way to an application. Every Windows Phone 7 Series phone will also come with a dedicated hardware button for Bing, providing one-click access to the company's new search engine. Windows Phone 7 also offers Windows Phone hubs that bring together related content from the Web, applications and services into a single view to simplify common tasks.



### Barclays profit grows more than double to £9.39 bn in CY09



British bank Barclays has posted £9.39 bn profit (attributable to equity holders of the parent) in CY09, as against £4.38 bn profit in CY08. Its profit before tax increased 92% YoY to £11.64 bn in CY09, as against £6.08 bn in CY08. The Company has posted a profit on disposal of Barclays Global Investors of £6.33 bn in CY09. Its profit from continuing operations decreased to £2.63 bn in CY09, as against £3.79 bn in CY08. Its total income (net of insurance claims) stood at £30.99 bn in CY09, as against £23.11 bn in CY08. Its net interest income stood at £11.95 bn in CY09, as against £11.47 bn in CY08. Its net fee and commission income grew to £10.18 bn in CY09, as against £8.41 bn in CY08, while its net trading income stood at £7 bn in CY09, as against £1.33 bn in CY08. The net premium from insurance contracts increased to £1.17 bn in CY09, as against £1.09 bn in CY08. Its total income (net of insurance claims) from UK Retail Banking decreased 11% YoY to £3.98 bn in CY09, as against £4.48 bn in CY08. Barclaycard total income grew 26% YoY to £4.04 bn in CY09, as against £3.22 bn in CY08. Global Retail and Commercial Banking (GRCB) generated total income of £1.72 bn in CY09, as against £1.45 bn in CY08. Barclays Capital reported a surge in total income to £11.62 bn in CY09, as against £5.23 bn in CY08. The total income from Barclays Global Investors increased to £1.9 bn in CY09, as against £1.84 bn in CY08.

✦ **Nokia** and **Intel** have joined hands to form a new platform designed for high-end mobile computers, named as 'MeeGo' which will combine Nokia's Maemo and Intel's Moblin. The alliance aims to tap pocketable mobile computers, netbooks, tablets, media-phones, connected TVs and in-vehicle infotainment systems. The platform will be open-source in nature and will support other handsets as well apart from Nokia make.



## GLOBAL BUSINESS

### Wal-Mart posts \$4.63 bn consolidated net income in Q4

Retail giant, Wal-Mart Stores has posted \$4.63 bn consolidated net income in Q4CY09, as against \$3.79 bn consolidated net income in Q4CY08, despite a drop in comparable store sales. Its income from continuing operations increased to \$4.68 bn in Q4CY09, as against \$3.79 bn in Q4CY08. Its revenues increased to \$113.65 bn in Q4CY09, as against \$108.75 bn in Q4CY08. Its net sales advanced to \$112.83 bn in Q4CY09, as against \$107.88 bn in Q4CY08. Its operating income rose to \$7.26 bn in Q4CY09, as against \$6.377 bn in Q4CY08. Its international net sales improved 19.5% to \$29.57 bn in Q4CY09, as against \$24.75 bn in Q4CY08 and operating income increased to \$1.89 bn in Q4CY09, as against \$1.49 bn in Q4CY08. Its consolidated net income rose to \$14.33 bn in CY09, as against \$13.4 bn in CY08, while its revenues grew to \$408.21 bn in CY09, as against \$404.37 bn in CY08.



### Daimler posts lower net loss in Q4; posts €2.64 bn net loss in CY09

**DAIMLER** Stuttgart, Germany-based automaker, Daimler AG has posted €0.35 bn net loss in Q4CY09, as against €1.53 bn net loss in Q4CY08, benefiting from comparatively higher unit sales and revenues from Mercedes-Benz cars. Its net loss from continuing operations stood at €0.35 bn in Q4CY09, as against €1.26 bn loss in Q4CY08. Its revenues declined 11% YoY to €21.32 bn in Q4CY09, as against €24 bn in Q4CY08, hurt by lower vehicle unit sales. The revenues from Daimler Trucks plummeted 36% to €4.84 bn in Q4CY09, as against €7.55 bn in Q4CY08. Mercedes-Benz Vans revenues stood at €1.84 bn in Q4CY09, as against €2.2 bn in Q4CY08. Daimler Buses generated revenues of €1.21 bn in Q4CY09, as against €1.37 bn in Q4CY08, while the revenues from Daimler Financial Services stood at €2.87 bn in Q4CY09, as against €3.24 bn in Q4CY08. However, revenues from Mercedes-Benz Cars grew to €11.45 bn in Q4CY09, as against €10.75 bn in Q4CY08. Daimler posted €2.64 bn net loss in CY09, as against €1.41 bn net income in CY08. Its net loss from continuing operations stood at €2.64 bn in CY09, as against €1.70 bn profit in CY08. Its revenues declined 20% YoY to €78.92 bn in CY09, as against €98.47 bn in CY08. The Company has sold 1.55 mn units in CY09, as against 2.07 mn units in CY08.

### Hewlett-Packard GAAP net income surges to \$2.3 bn in Q1

Palo, Alto, California-based world's largest technology company, Hewlett-Packard has posted \$2.3 bn GAAP net income in the first quarter, as against \$1.9 bn GAAP net income in year-ago quarter, helped by cost-cutting and strong sales of personal computers and printers. Excluding items, its Q1 non-GAAP net income stood at \$2.7 bn, as against \$2.3 bn in year-ago quarter. Its GAAP operating margin for Q1 improved to 9.6% from 8.7% a year ago, while non-GAAP operating margin increased to 11.2% from 10.8% last year. Its Q1 net revenue rose 8% YoY to \$31.18 bn from \$28.81 bn in the same quarter last year. Its Q1 revenue in the Americas rose 9% YoY to \$13.6 bn, while revenue in Europe, the Middle East and Africa grew 1% to \$12.1 bn and Asia Pacific revenue jumped 26% to \$5.4 bn. Its Imaging and Printing Group posted revenue of \$6.2 bn for the first quarter, up 4% from a year earlier, while its Enterprise Storage and Servers group generated \$4.4 bn revenue in Q1, and its Q1 services revenue fell 1% YoY to \$8.7 bn. Its Q1 software revenue remained flat with last year at \$878 mn, while financial services revenue rose 13% to \$719 mn. Looking forward to Q2, HP sees revenue of \$29.4 bn to \$29.7 bn. For the fiscal year 2010, it expects revenue of \$121.5 bn to \$122.5 bn.




### Merck Profit net income skyrockets to \$6.49 bn in Q4 on Schering buy

**MERCK** Whitehouse Station, New Jersey-based drug maker Merck & Company has posted \$6.49 bn net income in Q4CY09, as against \$1.64 bn net income in Q4CY08, boosted by the company's acquisition of cholesterol-drug partner Schering-Plough Corporation. It can be noted that Merck and Schering-Plough announced the closing of their \$41.1 bn merger in early Nov'09, which has resulted in the creation of the second-largest drug company trailing Pfizer, which completed a \$68 bn acquisition of Wyeth in Oct'09. Schering-Plough generated about 70% of its revenue outside of the US, including more than \$2 bn in annual revenue from emerging markets. Merck's total sales surged 67% YoY to \$10.09 bn in Q4CY09, as against \$6.03 bn in Q4CY08. Its human health segment sales rose to \$9.07 bn in Q4CY09, as against \$5.54 bn in Q4CY08, while other revenues declined to \$379 mn in Q4CY09, as against \$495 mn in Q4CY08. Its animal health sales stood at \$494 mn, while consumer health sales stood at \$149 mn in Q4CY09. The Company has posted \$12.9 bn net income in CY09, as against \$7.81 bn net income in CY08. Its sales increased 15% YoY to \$27.43 bn in CY09, as against \$23.85 bn in CY08.

- ✦ **AutoZone** has posted \$34.5 mn net income in Q4CY09, as against \$24.4 mn net income in Q4CY08. Its total sales declined to \$1.14 bn in Q4CY09, as against \$1.19 bn in Q4CY08.
- ✦ Auto parts retailer, **O'Reilly Automotive** has posted \$71.92 mn net income in Q4CY09, as against \$42.71 mn net income in Q4CY08. It has posted \$307.5 mn net income in CY09, as against \$186.23 mn net income in CY08.
- ✦ North Carolina-based electric utility company, **Duke Energy Corporation** has posted \$346 mn net income in Q4CY09, as against \$331 mn net income in Q4CY08. It has posted \$1.08 bn net income in CY09, as against, compared to \$1.36 bn net income in CY08.
- ✦ **Ericsson** and Japan's Wi-Fi devices manufacturer Buffalo have entered into a licensing agreement whereby the latter will manufacture Wi-Fi devices based on Ericsson's technology patents. It also allows several users to simultaneously access heavy data applications with high quality over the same wireless link.


## GLOBAL BUSINESS

### Kraft Foods net income grows four-fold in Q4; gets 91% Cadbury shareholders' nod for takeover




Northfield, Illinois-based world's second largest food company, Kraft Foods has posted \$710 mn net income in Q4CY09, as against \$178 mn net income in Q4CY08. Its income from continuing operations climbed to \$711 mn in Q4CY09, as against \$180 mn in Q4CY08. Its net revenues grew 3.2% YoY to \$11.03 bn in Q4CY09, as against \$10.68 bn in Q4CY08. Its organic net revenue rose 0.4% YoY, while the US beverages revenues declined 1.9% YoY to \$684 mn in Q4CY09. Its Europe revenues rose 8% YoY to \$2.69 bn in Q4CY09, as against \$2.49 bn in Q4CY08, while its revenues for developing markets totaled \$2.35 bn in Q4CY09, as against \$2.11 bn in Q4CY08. Its operating income soared to \$1.31 bn in Q4CY09, as against \$330 mn in Q4CY08, while its gross profit increased 22.5% YoY to \$4.13 bn in Q4CY09, as against \$3.37 bn in Q4CY08. The packaged food giant has posted \$3.02 bn net income in CY09, as against \$2.88 bn net income in CY08. Its income from continuing operations climbed to \$3.03 bn in CY09, as against \$1.85 bn in CY08. Its net revenue declined 3.7% YoY to \$40.39 bn in CY09, as against \$41.93 bn in CY08.

### McAfee GAAP net income rises to \$54.5 mn in Q4




Santa Clara, California-based security software maker McAfee has posted \$54.5 mn GAAP net income in Q4CY09, as against \$45.4 mn GAAP net income in Q4CY08, as revenue increased 24% YoY amid strong demand from corporates. Excluding stock options expense and other items, its non-GAAP net income stood at \$102.9 mn in Q4CY09, as against \$82.5 mn in Q4CY08. Its GAAP operating income jumped 122% YoY to \$72.2 mn, while non-GAAP operating income increased 27% YoY to \$136.7 mn in Q4CY09. Its revenue rose 24% YoY to \$525.67 mn in Q4CY09, as against \$423.99 mn in Q4CY08. North America revenue for the quarter increased 28% YoY to \$299 mn, while international revenue grew 19% YoY to \$227 mn in Q4CY09, and its revenue from corporate business rose 30% YoY to \$338 mn in Q4CY09. Consumer business revenue increased 15% YoY to \$188 mn in Q4CY09. The Company has posted \$173.4 mn GAAP net income in CY09, as against \$172.2 mn GAAP net income in CY08. Its non-GAAP net income stood at \$384.8 mn in CY09, as against \$319.9 mn non-GAAP net income in CY08. Its revenue increased 20% YoY to \$1.93 bn in CY09, as against \$1.6 bn in CY08. Separately, the Company has announced a \$500 mn stock buy back program and said its chief financial officer Rocky Pimentel will retire later this year.

### Chesapeake Energy net loss halves to \$530 mn in Q4



Oklahoma City-based, Chesapeake Energy Corporation has posted \$530 mn net loss in Q4CY09, as against \$1.01 bn net loss in Q4CY08, notwithstanding a big one-time charge and lower revenues. Its total adjusted net income increased to \$496 mn in Q4CY09, as against \$444 mn in Q4CY08. Its total revenues declined to \$2.22 bn in Q4CY09, as against \$2.98 bn in Q4CY08. Its natural gas and oil sales declined to \$1.36 bn in Q4CY09, as against \$2.27 bn in Q4CY08, while its marketing, gathering and compression sales rose to \$803 mn in Q4CY09, as against \$664 mn in Q4CY08, and service operations revenue rose to \$51 mn in Q4CY09, as against \$46 mn in Q4CY08. The Company has posted \$5.85 bn net loss in CY09, as against \$504 mn net income in CY08. Its total adjusted net income declined to \$1.6 bn in CY09, as against \$2.02 bn in CY08. Its total revenues also declined to \$7.7 bn in CY09, as against \$11.62 bn in CY08. Looking ahead, the Company expects a year-over-year production increase of 8%-10% for 2010.

### Applied Materials back in black; posts \$83 mn GAAP net income in Q1



Santa Clara, California-based world's biggest semiconductor equipment maker, Applied Materials has posted \$83 mn GAAP net income in the first quarter, as against \$133 mn net loss in the year-ago quarter, reflecting positive trends in the industry. Excluding items, its non-GAAP net income stood at \$179 mn, as \$28 mn non-GAAP net loss in the year-ago quarter. The gross margin for Q1 soared to \$711.2 mn from \$391.6 mn in the previous year quarter. Its Q1 net sales increased 39% YoY to \$1.85 bn from \$1.33 bn in the same quarter last year. The net sales from the Silicon Systems Group jumped about 77.5% to \$970 mn, while Applied Global Services' sales rose 23% to \$426 mn, and sales from Energy and Environmental Solutions group improved about 10% to \$321 mn over a year ago. However, Display group's sales slipped 11% to \$132 mn for the first quarter of fiscal 2010. Looking ahead, the Company raised its sales growth forecast for fiscal 2010, due to higher anticipated demand in semiconductor, LCD display and crystalline silicon solar businesses.

- ✦ **Exelon Corporation** has posted \$581 mn net income in Q4CY09, as against \$707 mn net income in Q4CY08. Its GAAP operating revenues declined to \$4.12 bn in Q4CY09, as against \$4.49 bn in Q4CY08.
- ✦ **Nokia** and **Yes Bank** are partnering to offer mobile payment services enabling consumers to pay through the mobile phones. The service will be offered over a mobile payment platform developed by Obopay which is already partnering Yes bank.
- ✦ **ZTE** has launched a new handset – T-Mobile Vairy Touch II – for T-Mobile UK's pay as you go subscribers. The touch-screen handset is customized for T-Mobile's users and will be available from March for a price of £59.99.
- ✦ Germany-based VAS solution provider, **Communology** has come up with new messaging solutions for the Android platform. The new solution is in addition to the company's offering for the Symbian, Windows Mobile and Java ME devices.
- ✦ **China Telecom**, KDDI, Verizon Wireless and Qualcomm gained membership to the GSMA following their commitment to deploy commercial services based on Long-Term Evolution.

## GLOBAL BUSINESS

### Motorola sets date for spin-off



In a move to finalize its spin-off into two separate publicly traded companies, Schaumburg, Illinois-based Motorola said it would close its planned separation in Q1CY11. The Company said that one unit will include Motorola's Mobile Devices and Home businesses, and the other will include its Enterprise Mobility Solutions and Networks businesses. It has appointed Sanjay Jha – its Co-CEO – as CEO of Motorola's Mobile Devices and Home businesses; and Greg Brown – its Co-CEO – as CEO of Enterprise Mobility Solutions and Networks businesses, with immediate effect. Motorola plans to effect the separation through a tax-free stock dividend of shares in the new company to Motorola shareholders. Following the separation both businesses will be well capitalized so the companies can execute their respective business plans and be able to address future opportunities. The proposed tax-free spin-off is expected to be accomplished through a pro rata distribution to Motorola shareholders. Post-separation, Motorola expects the Enterprise Mobility and Networks business will be capitalized in a manner that will achieve an investment grade rating and will be the entity responsible for Motorola's existing public market debt at the time of separation. Following the separation, both entities will be entitled to use the Motorola brand.

### Ingersoll-Rand back in black; posts \$139.4 mn net income in Q4

Dublin, Ireland-based diversified industrial conglomerate, Ingersoll-Rand has posted \$139.4 mn net income in Q4CY09, as against \$3.29 bn net loss in Q4CY08, helped by lower restructuring costs and absent prior-year's impairment charge. Its income from continuing operations stood at \$124.7 mn in Q4CY09, as against \$3.28 bn loss from continuing operations in Q4CY08. Its net revenues declined 10% to \$3.31 bn in Q4CY09, as against \$3.67 bn in Q4CY08. Its US revenues fell 14% YoY, and revenues from international operations dropped by about 5%, with the sharpest year-over-year declines registered in Europe. The Company has posted \$451.3 mn net income in CY09, as against \$2.62 mn net loss in CY08. Its revenues edged down to \$13.2 bn in CY09, as against \$13.23 bn in CY08.



### GlaxoSmithKline withdraws SuperPoligrip denture cream



Brentford, United Kingdom-based consumer healthcare company, GlaxoSmithKline has issued a consumer advisory, warning consumers on the potential health risks associated with long-term excessive use of zinc-containing denture adhesives. The Company said the action followed because it had become aware of potential health problems associated with the long-term excessive use of Poligrip, the zinc-containing denture adhesive it makes. GlaxoSmithKline said the move was voluntary, a precautionary action to end the manufacture and supply of its zinc-containing denture adhesives marketed across many countries. The drug maker, however, added that it was important for consumers to know that these products remain safe to use as directed on the product label. GlaxoSmithKline said that it will transition to zinc-free versions of all affected variants and would be indicated as such on the new packaging.

### NetApp erases loss; posts \$108 mn net income in Q3

Sunnyvale, California-based corporate data storage provider, NetApp has posted \$108 mn net income in the third-quarter, as against \$82 mn net loss in the year-ago quarter, on double-digit revenue growth from record shipments of its storage systems. On a non-GAAP basis, its Q3 net income increased to \$144 mn from \$93 mn in the prior year quarter. Its Q3 revenues increased to \$1.01 bn from \$746 mn in the third quarter of 2008. Its revenue from products increased to \$618.96 mn from \$528.2 mn while revenue from software entitlements and maintenance climbed to \$170.86 mn from \$156.55 mn. Service revenues edged up to \$221.83 mn from \$189.6 mn. Its Q3 gross profit climbed to \$641.54 mn from \$393.22 mn in the comparable quarter last year. For the nine-month period, the Company has posted \$255 mn net income, as against \$4 mn net loss in the year-ago period. Its YTD revenues increased to \$2.76 bn from \$2.52 bn in the similar period last year.



### Nvidia Swings back in black; posts \$131.1 mn GAAP net income in Q4

Santa Clara, California-based graphics chip maker, Nvidia Corporation has posted \$131.1 mn GAAP net income in Q4CY09, as against \$147.7 mn GAAP net loss in Q4CY08, as revenue more than doubled from a year ago. Excluding items, its non-GAAP net income stood at \$131.1 mn in Q4CY09, as against \$145.3 mn GAAP net loss in Q4CY08. Its revenue has increased to \$982.49 mn in Q4CY09, as against \$481.14 mn in Q4CY08. The Company has posted \$68 mn GAAP net loss in CY09, as against \$30 mn GAAP net loss in CY08. Its non-GAAP net income stood at \$141.4 mn in CY09, as against \$160.3 mn non-GAAP net income in CY08. Its revenue fell 3% YoY to \$3.33 bn in CY09, as against \$3.43 bn in CY08. Looking forward, the Company expects first quarter revenue to be flat from the fourth quarter. Gross margin for the first quarter is expected to be in the range of 44% to 45%.



✦ **LyondellBasell** has reached a settlement with creditors paving the way for the company to exit bankruptcy. As part of the agreement, the unsecured creditor's committee and holders of the Company's substantial debt have agreed to support its reorganization plan. LyondellBasell pointed out that it would continue to work with all parties to design a confirmable reorganization plan that maximizes value for creditors.

✦ Massachusetts-based chipmaker, **Analog Devices** has posted \$120.46 mn profit in Q1, as against \$24.95 mn net income in Q1 last year.

## GLOBAL BUSINESS

### Rogers Communications posts C\$1.47 bn net income in CY09

Communications and media company, Rogers Communications has posted C\$310 mn net income in Q4CY09, as against C\$138 mn net loss in Q4CY08, helped by higher revenues and lower expenses. Its adjusted net income soared to C\$370 mn in Q4CY09, as against C\$164 mn in Q4CY08. Its operating revenue advanced to C\$3.05 bn in Q4CY09, as against C\$2.941 bn in Q4CY08. Its operating income increased to C\$607 mn in Q4CY09, as against C\$137 mn in Q4CY08, while its operating profit climbed to C\$1.049 bn in Q4CY09, as against C\$902 mn in Q4CY08 and adjusted operating profit increased to C\$1.1 bn in Q4CY09, as against C\$968 mn in Q4CY08. In Wireless segment, revenues for the quarter rose to C\$1.73 bn in Q4CY09, as against C\$1.65 bn in Q4CY08, while the cable revenues grew to C\$1.019 bn in Q4CY09, as against C\$985 mn in Q4CY08, and adjusted operating profit advanced to C\$325 mn in Q4CY09, as against C\$313 mn in Q4CY08. Its media revenues declined to C\$393 mn in Q4CY09, as against C\$394 mn in Q4CY08, but adjusted operating profit rose to C\$52 mn in Q4CY09, as against C\$46 mn in Q4CY08. The Company has posted C\$1.47 bn net income in CY09, as against C\$1 bn net income in CY08. Its operating revenue grew to C\$11.73 bn in CY09, as against C\$11.33 bn in CY08.



### Ultra Petroleum net income surges to \$95.39 mn in Q4

Houston, Texas-based oil and natural gas company, Ultra Petroleum Corporation has posted \$95.39 mn net income in Q4CY09, as against \$65.09 mn net income in Q4CY08, reflecting gains on the company's commodity derivative contracts and an increase in revenues. Its total operating revenues increased 2.8% YoY to \$213.3 mn in Q4CY09, as against \$207.4 mn in Q4CY08. Its oil sales stood at \$21.73 mn in Q4CY09, as against \$14.16 mn in Q4CY08, while the natural gas sales declined to \$191.58 mn in Q4CY09, as against \$193.23 mn in Q4CY08. The production of natural gas and crude oil increased 17% YoY to 47.63 bn Bcfe in Q4CY09, as against 40.65 Bcfe in Q4CY08. The Company has posted \$451.05 mn net loss in CY09, as against \$414.28 mn net income in CY08. Its total operating revenues decreased 38% YoY to \$666.76 mn in CY09, as against \$1.08 bn in CY08. Looking ahead to fiscal year 2010, the Company expects a 20% increase in production and said its board approved a capital budget of \$1.45 bn.

### Advance Auto net income surges to \$34.5 mn in Q4

Roanoke, Virginia-based automotive aftermarket parts retailer, Advance Auto Parts has posted \$34.5 mn net income in Q4CY09, as against \$24.4 mn net income in Q4CY08, due to the addition of new stores, and higher comparable store sales, reflecting the positive trend in the automotive industry. Excluding items, its comparable net income declined to \$37 mn in Q4CY09, as against \$38.5 mn in Q4CY08. Its total sales declined 4.1% YoY to \$1.14 bn in Q4CY09, as against \$1.19 bn in Q4CY08. The Company has posted \$270.4 mn net income in CY09, as against \$238 mn net income in CY08. Its comparable net income grew to \$286.7 mn in CY09, as against \$252.1 mn in CY08. The net sales increased 5.3% YoY to \$5.41 bn in CY09, as against \$5.14 bn in CY08. Looking ahead, the Company plans to continue investing in key areas such as Commercial, E-commerce and global sourcing.

### Huawei bags contract in Singapore; wins GSMA's best service delivery platform award

Huawei Technologies has secured a new contract from Singapore's MobileOne popularly known as M1 to provide an Advanced Telecommunications Computing Architecture (ATCA) platform based IP Multimedia Subsystem (IMS) solution. The solution will help the service provider enrich its national broadband services and build its FMC (fixed and mobile convergence) capabilities allowing its subscribers to enjoy rich multi-media services such as VoIP (Voice over Internet Protocol), IPTV, Centrex, and HD video conferencing. Separately, the Company has won GSMA's recognition as the "Best Service Delivery Platform" for its leadership in providing innovative and compelling new mobile services which help operators attract new customers, deliver new revenue streams and enhance the revenues from existing services. The recognition was particularly for the company's service platforms and their ability to coexist seamlessly with existing systems and complement service offerings already available so that operators can easily transition to new services.



- ✦ Contract drilling services provider, **Precision Drilling Trust** has posted C\$24.89 mn net loss in Q4CY09, as against C\$92.38 mn net income in Q4CY08. It has posted C\$161.7 mn net income in CY09, as against C\$302.73 mn net income in CY08.
- ✦ Utah-based natural gas-focused energy company, **Questar Corporation** has posted \$150 mn net income in Q4CY09, as against \$121.2 mn profit net income in Q4CY08. It has posted \$393.3 mn net income in CY09, as against \$683.8 mn in CY08.
- ✦ Online educational services provider, **Career Education Corporation** has posted \$30.68 mn profit in Q4CY09, as against \$31.21 mn profit in Q4CY08. It has posted \$81.21 mn profit in CY09, as against \$60.14 mn in CY08.
- ✦ **Dominion Resources** has posted \$165 mn net income in Q4CY09, as against \$348 mn net income in Q4CY08. Its operating revenue decreased to \$3.26 bn in Q4CY09, as against \$4.17 bn in Q4CY08.
- ✦ **Helmerich & Payne** has posted \$63.23 mn net income in first-quarter, as against \$145.27 mn net income in the year-ago quarter. Its Q1 revenues stood at \$399.84 mn, as against \$623.75 mn in the year-ago quarter.
- ✦ California-based bio-analytical and electronic measurement solutions provider, **Agilent Technologies** has posted \$79 mn net income in the first quarter, as against \$64 mn net income in the year-ago quarter.
- ✦ **Petroleum Development Oman (PDO)** has announced the discovery of three oil fields and a large gas-field. Following an ambitious exploration programme in central Oman, PDO has made a major oil discovery at Al Ghubar South, close to the existing Al Ghubar and Qarn Alam fields.

## GLOBAL BUSINESS

### Intuit \$114 mn net income rises to \$114 mn in Q2



Mountain View, California-based business and financial management solutions provider, Intuit has posted \$114 mn net income in the second quarter, as against \$85 mn in the year-ago quarter. Excluding items, its Q2 non-GAAP net income grew to \$122 mn from \$110 mn in the year-ago quarter. On GAAP basis, its operating income rose 26% YoY to \$139 mn in Q2, while its non-GAAP operating income grew 20% YoY to \$206 mn in Q2. Its Q2 net revenue increased 8% YoY to \$837 mn, as against \$773 mn in the same quarter last year. For the first half of fiscal year 2010, Intuit has posted \$46 mn net income, as against \$33 mn net income in the year-ago period. On non-GAAP basis, its YTD net income rose to \$90 mn, as against \$82 mn in the prior year period. Its YTD net revenue increased to \$1.31 bn from \$1.24 bn in the year-ago period.

### Gen-Probe net income rises to \$24.03 mn in Q4

Nucleic acid probe-based product maker, Gen-Probe has posted \$24.03 mn net income in Q4CY09, as against \$21.14 mn net income in Q4CY08. Its non-GAAP net income stood at \$25.8 mn in Q4CY09, as against \$21.1 mn in Q4CY08. Its total revenue increased 27% to \$138.87 mn in Q4CY09, as against \$109.14 mn in Q4CY08. Its product sales rose 28% YoY to \$135.5 mn in Q4CY09, helped by clinical diagnostic sales that increased 34% to \$77.6 mn in Q4CY09, as against \$57.7 mn in Q4CY08. Its operating profit stood at \$34.86 mn in Q4CY09, as against \$27.2 mn in Q4CY08. The Company has posted \$91.78 mn net income in Q4CY09, as against \$106.95 mn net income in Q4CY08. Its non-GAAP net income stood at \$99.82 mn in Q4CY09, while its total revenue rose 5% YoY to \$498.3 mn in Q4CY09, as against \$472.7 mn in Q4CY08.

- ✦ Akron, Ohio-based, **Goodyear Tire & Rubber Company** has posted \$107 mn net income in Q4CY09, as against \$330 mn net loss in Q4CY08, on higher revenue and lower costs. Its revenues rose 7% YoY to \$4.44 bn in Q4CY09, as against \$4.14 bn in Q4CY08. Its net loss widened to \$375 mn in CY09, as against \$77 mn net loss in CY08, while its revenue decreased to \$16.3 bn in CY09, as against \$19.49 bn in CY08.
- ✦ India's GDP is likely to grow by over 7.2% in the current fiscal year before accelerating to 8.2% in 2010-11, Prime Minister's Economic Advisory Council chairman C Rangarajan said.
- ✦ Eurozone consumer sentiment deteriorated in Feb'10 after 10 months of improvement, as per the flash estimate. The consumer confidence index dropped to minus 17.4 in Feb'10, as against minus 16 in Jan'10. The consumer confidence index among EU consumers slipped to minus 13.6 for Feb'10.
- ✦ Toronto, Ontario-based insurance holding company, **Fairfax Financial Holdings** has posted US\$79.4 mn net income in Q4CY09, as against US\$346.8 mn net income in Q4CY08. Its net income declined to US\$0.86 bn in CY09, as against US\$1.47 bn net income in CY08, while its total revenues declined to US\$6.63 bn in CY09, as against US\$7.82 bn in CY08.
- ✦ California-based digital television entertainment services provider, **DirectTV Group** has posted \$32 mn net loss in Q4CY09, as against \$332 mn net profit in Q4CY08. It has posted \$942 mn net income in CY09, as against \$1.52 bn net income in CY08. Its revenue increased 10% YoY to \$21.56 bn in CY09, as against \$19.69 bn in CY08.
- ✦ Arizona-based photovoltaic solar panel maker, **First Solar** has posted \$141.6 mn net income in Q4CY09, as against \$132.8 mn net income in Q4CY08. It has posted \$640.1 mn net income in CY09, as against \$348.3 mn net income in CY08.
- ✦ Oklahoma-based integrated natural gas company, **Williams Companies** has posted \$172 mn net income in Q4CY09, as against \$115 mn net income in Q4CY08. It has posted \$285 mn net income in CY09, as against \$1.4 bn net income in CY08.
- ✦ California-based information technology and supply chain solutions provider, **Ingram Micro** has posted \$107.02 mn net income in Q4CY09, as against \$564.29 mn net loss in Q4CY08. It has posted \$202.14 mn net income in CY09, as against \$394.92 mn net loss in CY08.
- ✦ New York-based mass media company, **CBS Corporation** has posted \$58.8 mn net income in Q4CY09, as against \$136.1 mn net income in Q4CY08. Its total revenues decreased 1% to \$3.498 bn in Q4CY09, as against \$3.526 bn in Q4CY08.
- ✦ Washington-based, **Itron** has posted \$5.15 mn net income in Q4CY09, as against \$2.17 mn net income in Q4CY08. It has posted \$2.25 mn net loss in CY09, as against \$19.81 mn net income in CY08.
- ✦ Connecticut-based online travel company, **Priceline.com** has posted \$78.46 mn net income in Q4CY09, as against \$34.15 mn net income in Q4CY08. It has posted \$489.47 mn net income in CY09, as against \$182.25 mn net income in CY08.
- ✦ Nevada-based casino operator, **Las Vegas Sands Corporation** has posted \$113.91 mn net loss in Q4CY09, as against \$136.53 mn net loss in Q4CY08. It has posted \$540.05 mn net loss in CY09, as against \$188.76 mn net loss in CY08.
- ✦ California-based real estate investment trust, **HCP** has posted \$26.4 mn net income in Q4CY09, as against \$34.65 mn net income in Q4CY08. It has posted \$109.07 mn net income in CY09, as against \$425.37 mn net income in CY08.
- ✦ Canada's second biggest phone company, **Telus Corporation** has posted C\$156 mn (\$148.6 mn) net income in Q4CY09, as against C\$285 mn net income in Q4CY08. It has posted C\$1 bn net income in CY09, as against C\$1.13 bn net income in CY08.
- ✦ Land drilling contractor, **Nabors Industries** has posted \$47.3 mn net loss in Q4CY09, as against \$106.7 mn net loss in Q4CY08, helped by lower costs and expenses as well as a hefty income tax benefit. It has posted \$85.5 mn net loss in CY09, as against \$475.7 mn net income in CY08.
- ✦ Texas-based natural and organic foods supermarket, **Whole Foods Market** has posted \$55.2 mn net income in the first quarter, as against \$32.3 mn in the year-ago quarter. Its Q1 sales increased 7% YoY to \$2.64 bn, as against \$2.47 bn in the same quarter last year.
- ✦ **Comverse** has launched its machine-to-machine applications enabler solution at the MWC in tie-up with Intel paving the way of new revenue opportunities for the operators. The solution aims to enable operators to have a better monitoring, broadcasting and control capabilities.
- ✦ Canada-based gold producer, **Agnico-Eagle Mines** has posted US\$47.94 mn net income in Q4CY09, as against US\$21.87 mn net income in Q4CY08. It has posted US\$86.54 mn net income in CY09, as against US\$73.17 mn net income in CY08.
- ✦ **Zynga** has opened its new office in Bangalore marking the company's first office to be set up outside India. The Company will recruit computer scientists and engineers for its India unit.
- ✦ **Patterson-UTI Energy** has posted \$18.17 mn net loss in Q4CY09, as against \$79.49 mn net income in Q4CY08. Its revenue fell sharply to \$213.56 mn in Q4CY09, as against \$531.54 mn in Q4CY08.

## GLOBAL BUSINESS

### Synchronica unveils new Mobile Gateway for IM, and SNS

» **synchronica** UK-based VAS enabler for mass devices, Synchronica has come with its new Mobile Gateway 5, which is equipped to handle mobile instant messaging, web feeds, and social networking services with push email and synchronization services. The Gateway is compatible with industry standards including IMAP, IMPS, SyncML, and ActiveSync. From an operator perspective, the solution allows to provide a broad range of mobile messaging services from a single platform aimed at increasing data usage and subscriber loyalty. IMAP and SyncML, to integrate with the native email and synchronization clients built into more than 1.5 billion devices from major handset manufacturers including Nokia, Sony Ericsson, Samsung, Motorola, and others. Mobile Gateway 5 also supports the standards IMPS and XMPP and connects to the IM client built into handsets from Nokia, Sony Ericsson, and other leading device manufacturers, says Synchronica.

- ✦ Georgia-based replacement parts maker, **Genuine Parts Company** has posted \$99.2 mn net income in Q4CY09, as against \$87.8 mn net income in Q4CY08. Its sales decreased 2% YoY to \$2.47 bn in Q4CY09, as against \$2.52 bn in Q4CY08. It has posted \$399.6 mn net income in CY09, as against \$475.4 mn net income in CY08.
- ✦ Motion picture exhibitor, **Cinemark Holdings** has posted \$21.01 mn net income and \$496.83 mn revenues in its third quarter.
- ✦ Knoxville, Tennessee-based motion picture exhibitor, **Regal Entertainment Group** has posted \$35.5 mn net income in Q4CY09, as against \$29.4 mn net income in Q4CY08. It has posted \$95.5 mn net income in CY09, as against \$112.2 mn net income in CY08. Its total revenues increased to \$2.89 bn in CY09, as against \$2.77 bn in CY08.
- ✦ **Vallourec** announced that it will build a new state-of-the-art small diameter rolling mill at Youngstown in Ohio in USA. The new mill, which will initially produce 3.5 lakh TPA, provides an annual nominal rolling capacity of 5 lakh tonne of seamless tubes.
- ✦ Insurance and reinsurance provider, **Arch Capital Group** has posted \$284.7 mn net income in Q4CY09, as against \$143 mn net loss in Q4CY08. It has posted \$851.1 mn net income in CY09, as against \$265.1 mn net income in CY08.

**Additional information with respect to any securities referred to herein will be available upon request.**

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