



POLICY UPDATE

- The Government of India announced the guidelines for 3G services. According to these guidelines 3G licenses would be granted through a controlled, simultaneous ascending e-auction by a specialized agency to ensure transparency in selection process. It has been decided that a successful services provider would pay additional spectrum charge of 0.5% of their total Adjusted Gross Revenue (AGR), as the recurring annual spectrum charge besides the initial, one time spectrum charge. Mergers will not be allowed during the initial 5 years and no trading/reselling of spectrum is allowed. **More...** India's Minister of Communications and Information Technology, Mr. A. Raja said that 2G telecom licenses to new applicants will continue to be given as per the existing policy of first come first serve. Selling or auction of 2G Spectrum is not envisaged under telecom access services licenses. **More...** India's Department of Telecom has decided to introduce mobile number portability in the four metro cities. The facility will be available to mobile subscribers by the fourth quarter of 2008. **More...**
- The Securities and Exchange Board of India has approved the introduction of new derivative products for the Indian market. These products will be introduced under suitable regulatory framework in due consultation with other regulatory authorities. The new derivative products will be relating to Mini-contracts on equity indices, Options with longerlife, Volatility index and F&O contracts, Options on futures, Bond indices and F&O contracts, Exchange traded currency (foreign exchange) Futures & Options and introduction of exchange traded derivatives to cater to different investment strategies. These new derivative products are expected to provide investors with a large range of risk mitigation products and create more activity in the Indian onshore markets. However the introduction of these products will depend on the product design, risk mitigation features and conformity to regulatory requirements. **More...**
- The Government of India has come out with the National Biotechnology Development Strategy. Key elements of the strategy include setting up of a National Biotechnology Regulatory Authority to provide a single window mechanism for biosafety clearance of genetically modified products and processes and 30% of the DBT's (Department of Biotechnology) Budget to be spent on Public-Private Partnership Programmes. The strategy proposes to introduce new legislation called as Public funded R&D (Protection, utilization and regulation of Intellectual Property) Bill, 2007. **More...**
- The Government of India constituted the 13th Finance Commission to be headed by Dr. Vijay Kelkar, former Finance Secretary to recommend ways for a better distribution of taxes between Centre and State governments. The panel has been mandated to improve the quality of public spending and will also examine the likely impact of a goods and services tax due to come into effect from April 1, 2010. **More...**

NEWS HIGHLIGHTS

- Reserve Bank of India (RBI) has given an in-principle approval to invest \$5 billion of foreign exchange reserves annually in infrastructure projects through two subsidiaries of India Infrastructure Finance Company (IIFCL). RBI Board has emphasized that the overall framework needs to be consistent with legal requirements and must exhibit fiscal prudence and consistency with global best practices. **More...**

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- A panel appointed by the Reserve Bank of India has brought out a draft report on currency futures in India. According to the report, India needs rupee futures to offer local participants more options in hedging currency exposure and cope with rising capital inflows. Currency futures would make available wider hedging opportunities to economic agents. [More...](#)
- India's Ministry of Railways has decided to lay Dedicated Freight Corridors to decongest existing railway lines. In the first phase, corridor would be developed between Ludhiana and Howrah in the eastern section and between Mumbai and Delhi in the western section. [More...](#)
- India was placed 48 in the list of 131 economies covered by Global Competitiveness Report released by World Economic Forum. According to the report, India's business environment has improved tangibly in recent years with increased efficiency of goods, labour and financial markets and greater innovation and sophistication of firm operations. [More...](#)
- India has moved up two notches on the Trade and Development Index (TDI) 2006 to 86 published by UNCTAD. The index is a measure of degree of integration between trade and economic and social development. India emerged stronger than the E7 economies (emerging economies including India, China, Brazil, South Africa, Mexico, Russia and Korea) in international finance, macroeconomic stability and trade performance. It also fared well in financial intermediation and institutional quality. [More...](#)
- India's Initial Public Offer (IPO) volumes totaled \$7 billion from 74 issues so far in 2007 according to Thomson Financial. India is now the ninth largest IPO market in the world. [More...](#)
- India attracted the highest private equity (PE) investments at \$10 billion in 2007 so far among the emerging economies including China according to Indusview, an advisory firm. The real estate and infrastructure sectors have been key contributors to rising PE inflows. [More...](#)
- Private Investment to build India's infrastructure will exceed \$101.8 billion by 2012 according to a study by Ernst & Young. India aims to raise its infrastructure investment to 9% of GDP from 5% at present. [More...](#)

Corporate News

- Four Indian Companies including IT firms, TCS and Infosys have been ranked among the world's 100 biggest technology providers to the global financial services industry in the annual Fintech 100 list of financial industry technology vendors published by American Banker, banking and financial services daily and Financial Insights. [More...](#)
- India's Bombay Stock Exchange has announced a strategic initiative along with the US Futures Exchange (USFE) which will allow dollar denominated BSE Sensex futures to be traded on the USFE. This will allow eligible US investors to directly participate in India's equity markets without requiring American Depository Receipt (ADR) authorization. [More...](#)
- Reliance Power Ltd (RPL) controlled by Anil Ambani has emerged as the lowest bidder for a contract to set up 4000 MW Ultra Mega Power Project at Krishnapatnam in Andhra Pradesh. RPL quoted a levelised tariff of Rs 2.336 per unit against Larsen and Turbo's Rs 2.68 and Vedanta group firm Sterlite Industries' Rs 4.81. [More...](#)
- Unitech, a real estate company has acquired land worth \$843 million from the Andhra Pradesh Infrastructure and Industrial Corporation. The company plans to develop a total built up area of 100 million square feet comprising high-rise apartments, IT Park, hospitals and educational centers. [More...](#)
- Industrial Development Bank of India (IDBI) has lined up a \$1.5 billion medium-term note programme. This will enable IDBI to issue various debt instruments in the international capital markets under a single documentation platform. [More...](#)
- India's Reliance Communications (Rcom) has signed a contract worth an estimated \$500 million with Microsoft Corporation to provide Internet Protocol Television (IPTV) services in India. Rcom will pay Microsoft \$500 million in license fees for using its platform-Media room under an exclusive agreement spread over eight years. [More...](#)