



POLICY UPDATE

- Securities and Exchange Board of India (SEBI) has amended its guidelines to allow listed companies satisfying specified requirements to make Fast Track Issues through follow-on public offerings and rights issues. It will also enable all categories of investors to apply for Indian Depository Receipts (IDRs) issues subject to at least 50% of the issue being subscribed by Qualified Institutional Buyers (QIBs). Quoting of Permanent Account Number (PAN) in application forms for public/rights issues has been made mandatory irrespective of the value of application. SEBI has also amended the provisions pertaining to issuances of corporate bonds to facilitate development of a vibrant primary market for corporate bonds. *More...*
- The government of the Indian state of Maharashtra has repealed the Urban Land Ceiling and Regulation Act (ULCRA). The decision is expected to release up to 15,000 acres of land in the state capital, Mumbai. This will ensure faster permissions, promote real estate development and may also help to stabilize rising property prices. *More...*
- India's Pension Fund Regulatory and Development Authority (PFRDA) has given its approval for investments up to 5% of the funds under the New Pension System (NPS) in stock markets and another 10% in equity linked mutual funds. State Bank of India, UTI Mutual Fund, Life Insurance Corporation have been appointed as the fund managers for a period of three years. National Securities Depository Ltd (NSDL) is the Central Recordkeeping Agency (CRA) for the NPS. The central and state governments will need to provide for more than \$500 million as pension corpus under the scheme. *More...*
- The empowered committee of state finance ministers in India has approved the introduction of a nationwide dual Goods and Services Tax (GST) from April 1, 2010. The dual GST will operate at two levels – the Centre and states. Under the dual GST Model, there will be more than four slabs of tax on goods and services. Service tax regulations may have to be amended by the Parliament to allow states to levy taxes on services. *More...*

NEWS HIGHLIGHTS

- India-ASEAN Free Trade Agreement will be in place by May 2008 according to India's Commerce Minister, Mr. Kamal Nath. He expressed confidence that the differences pertaining to four products, namely, palm oil, pepper, tea and coffee and three countries, namely, Malaysia, Indonesia and Vietnam would be sorted out soon. *More...*
- The Government of India has decided not to put a cap on the number of Ultra Mega Power Projects (UMPP) that a company can operate as it goes against the idea of promoting competition in the sector. UMPPs are coal based thermal power plants with a capacity of 4000 MW each. However the Government has decided to put in place a stringent performance guarantee mechanism along with penalty provision. The Government shall also strictly monitor identified milestones for commissioning a UMPP. The decision is significant since Reliance Power and Tata Power have won two and one UMPP respectively out of the three UMPPs

(Continued on next page)

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awarded by the Government. Six more UMPPs would be awarded by the Government to private companies. [More...](#)

- India's GDP for the second quarter of 2007-08 grew at the rate of 8.9% according to Central Statistical Organisation (CSO). The economic activities which registered significant growth were construction, trade, hotels, transport, communication, financing, insurance, real estate and business services. [More...](#)
- Telecom Regulatory Authority of India (TRAI) has released draft recommendations on provision of Internet Protocol Television (IPTV) Services. According to these recommendations, Telecom companies with license to provide triple play services, internet service providers with a net worth of more than \$25 million and registered cable TV operators will not require a fresh license to provide IPTV services. IPTV operators would transmit only those news channels that have been approved by the Ministry of Information and Broadcasting. [More...](#)
- India will have a regulator for the real estate sector by 2008 according to Mr. Jaipal Reddy, Minister for Urban Development. The Minister also said that a bill on Real Estate sector would be introduced in the next Parliament session. [More...](#)
- The Government of India plans to touch 100 operational airports by 2008 and is working to create atleast 500 big and small airports across the country with an expected investment of \$150 billion in the aviation sector in the next few years according to India's Civil Aviation Minister, Mr. Praful Patel. [More...](#)
- Securities and Exchange Board of India has initiated the process to introduce Real Estate Investment Trusts (REITs). A REIT offers common shares to the public, representing ownership in an operating business and they can share the profits in the form of dividends. It is also preparing norms for Real Estate Mutual Funds (REMF). [More...](#)
- India has been ranked 10 in services exports in 2006 and its share in world commercial services exports rose to 2.7% according to a working paper brought out by the Ministry of Finance. India's service exports stood at \$81.3 billion in 2006-07 with a growth rate of 32.5%. [More...](#)
- 13 Indian companies have been named in the list of 100 fastest growing small and mid-size companies in Asia according to "Asia's Hot Growth Companies List", prepared by US based financial magazine, BusinessWeek. India has surpassed China whose presence is limited to just eight firms. [More...](#)
- The number of listed Indian companies with a market capitalization of more than billion dollars has risen from 148 as of December 2006 to 209 till November 2007 which represents a 40% rise in corporate India's billion dollar club. [More...](#)

Corporate News

- Reliance industries will spend about \$4.27 billion in oil and gas exploration over the next few years of which \$2 billion would be invested to meet the minimum work commitment on blocks it has won in the New Exploration and Licensing Policy (NELP) rounds. [More...](#)
- Reliance Power Ltd (RPL) is set to make an investment of \$1 billion in overseas coal blocks to secure coal supplies for its 4000 MW imported coal based ultra mega power project (UMPP) at Krishnapattanam in Andhra Pradesh for which the coal requirement is 15 million tonnes per annum. [More...](#)
- Global Investment bank Goldman Sachs, US-based private equity investors Wachovia Bank and Baer Capital have invested \$250 million in Vatika, an India based real estate and hospitality group. [More...](#)
- Natural Energy Processing Company of India Ltd (NEPC) plans to raise up to \$150 million through global depository receipts or convertible bonds for its expansion plans and is planning to set up a manufacturing facility for thin solar photo voltaic modules. [More...](#)
- The JSW part of the Jindal group plans to invest \$10.5 billion, half of which would be in the steel sector and the rest in power projects, cement making, aluminum and building ports. [More...](#)
- Hindustan Petroleum Corporation will invest \$2.5 billion in expanding the capacity of its refinery at Visakhapatnam and plans to raise the capacity to 16million tons by the end of 2017. [More...](#)
- India's Oil and Natural Gas Corporation (ONGC) is investing \$930 million to upgrade its facilities, including improved oil recovery in its Assam oilfields. It is implementing the modernization programme under its Assam renewal project. [More...](#)