



## POLICY UPDATE

- Reserve Bank of India (RBI) announced introduction of currency futures on eligible exchanges. A joint standing technical committee, comprising members from RBI and Securities Exchange Board of India (SEBI) will come up with guidelines on currency futures by the end of May 2008. *More . . .*
- Reserve Bank of India has exempted corporates from seeking prior permission of the Central Government for International Competitive Bidding (ICB) for foreign projects. This will enable Indian residents to incur liability in foreign currency and to make or receive payments in foreign currency in respect of global bids for projects to be executed in India without prior approval of the concerned Ministry for ICB. *More . . .*
- RBI has decided to enhance the limit from \$50,000 to \$75,000 in respect of bank loans for housing for applicability of risk weights for capital adequacy norms. *More . . .*

## NEWS HIGHLIGHTS

- The total number of Mergers and Acquisitions (M&A) deals in India during the first four months of 2008 stands at 166 with an announced value of \$10.73 billion and the total number of Private Equity (PE) deals for the same period stands at 156, with an announced value of \$4.94 billion according to advisory firm, Grant Thornton. *More . . .*
- Foreign Direct Investment (FDI) inflows (including reinvested earnings according to international FDI classification norms) into India touched \$29.89 billion during the period April 2007-March 2008, up from \$22.07 billion during last year, an increase of 35.43% according to RBI. *More . . .*
- Indian companies raised nearly \$31 billion through External Commercial Borrowings (ECBs) during 2007-08 as compared to \$25 billion during 2006-07, registering an increase of 24% according to Reserve Bank of India. *More . . .*
- Reserve Bank of India will launch an India Pay credit card by the end of 2009. It will be an Indian version of the China Union Pay card. The card will be designed for common people with low interest rates and risk reduction facilities. *More . . .*
- The US Exim Bank has committed a \$2.2 billion line of credit to fund infrastructure projects in India. This is in addition to credit support of \$6 billion for funding of aircraft purchases by Air India and Jet Airways over the next few years. *More . . .*
- The Government of India plans to build an electricity network in South Asia aimed at broad basing India's energy security and harnessing energy resources across the region. India would use power as a tool to ensure greater regional engagements according to the Minister of State for Power and Commerce, Mr. Jairam Ramesh. *More . . .*

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- India added 9250 MW of new generation capacity in 2007-08. The power sector received external assistance of approx \$2.13 billion from multilateral and bilateral agencies like World Bank, Asian Development Bank, Japan Bank of International Co-operation and KfW (Germany) in the year 2007-08 as compared to \$775 million in 2006-07, registering an increase of 175%. *More . . .*
- The Government of India has allocated approx \$10 billion in the XI Five Year Plan for implementation of e-governance across the country according to Mr. A. Raja, Minister for Information Technology (IT) and Communications. *More . . .*
- India's financial capital, Mumbai is the seventh largest city in terms of billionaire population according to Forbes, the American business magazine. In terms of average wealth of resident billionaires, Mumbai leads the top 10 cities with an average net worth of \$7.6 billion. *More . . .*
- India would become the eighth wealthiest market by the year 2017 according to the Household Wealth Index developed by Barclays Wealth and Economic Intelligence Unit (EIU). The wealth held by high net worth Indian households would total to \$1.7 trillion in 2017. *More . . .*

## Corporate News

- US-based Astonfield group of companies has decided to invest approx \$4 billion to set up green energy capacities in India. It plans to set up renewal generation capacity, solar panel assembly plant and a Wimax network in rural India. *More . . .*
- The Government of India has decided to extend the bid submission date for the seventh round of New Exploration Licensing Policy (NELP) to 30<sup>th</sup> June 2008. *More . . .*
- BG India, part of the British Gas group, plans to invest \$1 billion in the exploration business in the next two to three years. BG India is the largest investing foreign company in the Indian oil and gas sector. *More . . .*
- Goldman Sachs plans to invest \$172 million and pick up 3.7% stake in Mahindra and Mahindra. The equity will be used for the auto and tractor business of the parent company. *More . . .*
- Nokia Siemens Networks (NSN), leading telecom equipment maker will shift its global services business unit headquarters from Munich to India. This will be NSN's second major global centre to be headquartered in India, after the global networks solutions centre in Chennai, which serves as a hub for NSN operations centers across the globe. *More . . .*
- India's telecom service provider, Tata Indicom plans to invest approx \$150 million to set up new telecom towers and enhance network. *More . . .*
- Ford Motor Company started operations at its engine assembly plant in Chennai, India. The plant will initially make 60,000 engines annually for its Fiesta and Fusion models. Ford India plans to invest \$500 million to double manufacturing capacity by 2010. *More . . .*
- Korean car maker, Hyundai Motor India on Friday said it plans to launch its low-cost car at \$3,500 in India by 2012. The low priced car is in the process of evolution stage at Hyundai's research and development centre. *More . . .*
- India's Bajaj Auto announced its joint venture with European car maker Renault and Japanese company Nissan to manufacture a small car in India with a wholesale price of \$2500. Bajaj will hold 50%, Renault and Nissan 25% each in the joint venture. *More . . .*

## Visits

- India's Commerce and Industry Minister, Mr. Kamal Nath visited New York and Chicago from May 5-10, 2008. During his bilateral meeting with Ms. Susan Schwab, USTR, in New York, he discussed the progress of negotiations in the Doha Round and shared his views on how the negotiations could be accelerated so as to conclude them by the end of the year.