



POLICY UPDATE

- The Government of India approved the policy for greenfield airports. Mandatory approval of the Central Government for setting up of any greenfield airports have been dispensed with. A Steering Committee would be set up under the chairmanship of Secretary, Civil Aviation to coordinate and monitor the clearances required from various agencies for setting up an airport. The functions performed at the airport such as air traffic services, security, customs, immigration etc would be reserved to be performed by Central Agencies. An airport seeking a license would be required to obtain clearances from these Agencies. *More . . .*
- Reserve Bank of India (RBI) announced the Annual Policy Statement for the year 2008-09, projecting GDP growth in the range of 8.0-8.5% for 2008-09. Inflation for 2008-09 is targeted at 5.5%. The bank rate and the repo rates were left unchanged. The Cash Reserve Ratio (CRR) of scheduled banks has been raised by 25 basis points to 8.25% with effect from the fortnight beginning May 24, 2008. The Cash Reserve Ratio (CRR) had been increased earlier by 50 basis points to 8.0% in two stages; 25 basis points effective from 26th April 2008 and another 25 basis points effective from 10th May 2008. *More . . .*
- Securities and Exchange Board of India (SEBI) amended SEBI (Mutual Funds) Regulations, 1996 to permit mutual funds to launch Real Estate Mutual Fund Schemes (REMFs). A real estate mutual fund scheme shall not undertake lending or housing finance activities. Investments in real estate assets, real estate related securities shall not be less than 75% of the net assets of the scheme. *More . . .*
- The Government of India announced the rules for mergers and acquisitions among telecom firms. Mergers among service providers will not be permitted if it resulted in an entity with more than 40% market share. Mergers will not be permitted if the number of service providers in a licensed area falls below four. Permission for merger shall be accorded only after completion of three years from the effective date of the licences. *More . . .*

NEWS HIGHLIGHTS

- India surpassed USA to become the second largest wireless network in the world after China. The total wireless subscribers base stood at 261.09 million at the end of March 2008. 10.16 million subscribers were added in March 2008 as against 8.53 million in February 2008. The overall tele-density stood at 26.22% at the end of March 2008. India added 95.98 million mobile subscribers during 2007-08. *More . . .*
- India's telecom sector earned \$750 million in revenues to the Government from spectrum fees in 2007-08 as compared to \$522 billion in 2006-07, an increase of 44% according to Mr. Jyotiraditya Scindia, Minister of State for IT and Communications. *More . . .*

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- India's direct tax collections for 2007-08 stood at \$77.25 billion, registering 38% growth over the previous fiscal year. Corporate tax contributed \$47.25 billion, 61% of direct tax collections. **More . . .**
- Five Indian software companies are in the Top 10 global service providers list compiled by International Association of Outsourcing Professionals (IAOP). Infosys made it to the top three behind Accenture and IBM. **More . . .**
- The number of Mergers & Acquisitions deals involving Indian companies in the first quarter of 2008 stood at 125 with a total value of \$9.64 billion according to global consultancy firm Grant Thornton. **More . . .**
- The Indian semiconductor and embedded design services industry is expected to cross \$7.37 billion in 2008 according to a report by Indian Semiconductor Association. **More . . .**
- The revenues of India's biotechnology industry increased by 30% to touch \$2.7 billion in 2007-08 according to official data by Department of biotechnology. Exports at \$1.5 billion contributed 60% of the revenue. **More . . .**

Corporate News

- Essar group has reached an agreement to acquire the US steelmaker and distributor Esmark for \$1.1 billion. The acquisition will scale up Essar's capacity to nearly 7 million tonnes in the US and Canada. **More . . .**
- India's Anil Dhirubhai Ambani Group (ADAG) is planning to float a shipping subsidiary with an investment of \$1.2 billion. This will help the company in transportation of coal, the fuel for its ultra-mega power projects. **More . . .**
- The Assets under Management (AUM) of Reliance Mutual Fund crossed \$24.63 billion in March 2008. The top three fund houses in the country, Reliance Mutual Fund, ICICI Prudential Mutual Fund and UTI Mutual Fund, accounted for 37% of AUM in March 2008. **More . . .**
- India's major biotechnology firm, Biocon Ltd is in talks to acquire a US firm in a deal valued at \$400 million to boost its overseas pharmaceutical distribution network. **More . . .**
- Tata Realty and Infrastructure Limited (TRIL) announced an agreement with Tamil Nadu Industrial Development Corporation (TIDCO) to jointly develop an IT Special Economic Zone (SEZ) at a cost of \$750 million. **More . . .**
- Tata group is ranked 57th in Brand Finance Top 500 Global Brands, a ranking of brands by brand value published by UK based Brand Finance Plc. The study valued the Tata brand at \$11.8 billion based on brand value at the end of 2007. **More . . .**
- Tata Power (TPC) announced the financial closure of its 4000 MW mega Ultra Mega Power Project (UMPP) at Mundra in Gujarat. The project cost is estimated at \$4.25 billion. The project is financed through equity, external commercial borrowings and rupee loans. **More . . .**
- Convergys Corporation entered into a multiyear contract with Bharat Sanchar Nigam Limited (BSNL) for providing billing solutions. Convergys, headquartered in Cincinnati, USA is a global customer care, human resources and billing solutions provider. **More . . .**
- Deutsche Bank aims to invest more than \$1 billion over three years in India's real estate sector. The company is working on deals involving roads, power, airport and railway terminal projects. **More . . .**
- German vehicle maker Daimler AG and India's Hero Group plan to invest \$1.1 billion over five years in their joint venture to make commercial vehicles. The joint venture will begin making light, heavy and commercial vehicles from 2010 for the local market initially. **More . . .**