



Policy Developments

- A Committee is being set-up to examine and assess the financial difficulties being faced by India's domestic airline operators and will consider international practices followed by other airlines. The Committee will be chaired by the Cabinet Secretary. [More](#)
- Telecom Regulatory Authority of India (TRAI) has accepted the proposal of India's Department of Telecommunications (DoT) to raise the base price for third generation (3G) auction to about \$550 million for a pan-India license. TRAI has also decided that it will not block the move for an open global auction for 3G mobile services. [More](#)
- Reserve Bank of India (RBI) has decided to allow Authorized Dealer Category-I banks to convey 'no objection' under the Foreign Exchange Management Act (FEMA), 1999 for creation of charge on immovable assets, financial securities and issue of corporate or personal guarantees in favour of overseas lender/security trustee, to secure the External Commercial Borrowing (ECB) to be raised by the borrower. [More](#)

News Highlights

- India's total food grain output touched 230 million tons in 2007-08 as per the fourth advance estimates of production of major crops by the Ministry of Agriculture. [More](#)
- The Government of India has received 11 proposals worth \$18.68 billion from major corporate entities for semi-conductor fabrication and eco-system units under the Special Incentive Package Scheme (SIPS). SIPS was notified last year to encourage investment in the semiconductor fabrication and other micro and nano technology manufacturing industries. [More](#)
- The total number of Merger and Acquisitions (M&A) deals in India during the first six months of 2008 stands at 265 valued at \$18.54 billion as against 335 deals worth \$43.97 billion in the corresponding period in 2007, according to Deal Tracker, a monthly report by Grant Thornton, an international consultancy firm. [More](#)

- Indian companies accounted for 34 US-bound acquisitions worth \$5.1 billion in the first half of 2008 according to US- based Virtus Global Partners. Nearly 70% of the acquisitions involved acquisition of 100% stock for cash consideration. [More](#)
- Private Equity investments in India touched \$2.8 billion in the first quarter of 2007-08, an increase of 50% compared to corresponding period of 2006-07 according to Venture Intelligence, a firm which tracks private equity and venture capital sector in India. [More](#)
- Venture capital firms invested \$340 million over 51 deals in India during the first half of 2008, according to a study by Venture Intelligence in partnership with US-India Venture Capital Association. [More](#)
- India has been ranked 41 in industrial competitiveness by a United Nations Industrial Development Organization (UNIDO) report. The scoreboard is based on two sets of components, namely industrial development indicators and competitive industrial performance index. [More](#)
- According to latest *Reserve Bank of India Bulletin*, India's Foreign Direct Investment (FDI) for 2007-08 stands at \$32.44 billion as compared to \$22.07 billion in 2006-07. The FDI for the first two months of 2008-09 is \$7.68 billion. [More](#)
- Indian insurance companies invested approx \$3.75 billion in the domestic equity markets in the first quarter of 2007-08. Life Insurance Corporation alone invested about \$3 billion according to senior officials of the corporation. [More](#)
- The revenues of India's IT software industry recorded 28% increase in 2007-08 and stood at \$52 billion according to Nasscom's annual survey. The industry aims to reach its target of achieving US\$ 75 billion by 2010. [More](#)
- India would soon set up the Food Safety and Standards Authority (FSSA). The idea of setting up FSSA was mooted in the Food Safety and Standards Bill, 2005 to establish a single reference point for all

matters relating to food safety and standards by consolidating different laws in the sector. [More](#)

- The revenues of India's telecom service industry increased to nearly \$32.6 billion in 2007-08, registering an increase of 21% as compared to 2006-07 according to a survey by *Voice and Data*, a leading Indian communications magazine. The cellular segment contributed 59% of the total revenue. [More](#)

- India's real estate sector has improved its level of transparency according to Global Real Estate Transparency Index; 2008. The transparency has been measured on parameters such as availability of data on real estate market, ease of transaction, accounting standards. [More](#)

- India's pension market is expected to touch \$280 billion in 12 years according to a report by research firm, IIMS Dataworks. India has proposed a new pension scheme for the workforce not covered by a formal retirement plan. [More](#)

- India's first power exchange, Indian Energy Exchange (IEX) witnessed two-fold increase in volumes to 30,000 MW within 20 days of launch of its operations. IEX has been promoted by Financial Technologies (India) and Power Trading Corporation, a public sector company. [More](#)

Corporate News

- India's Reliance Industries has emerged as the top Indian private company on the latest Fortune 500 list released by Fortune, the US Business magazine. Indian Oil Corporation is the top ranked Indian company among both private and public sectors at 116th position in the worldwide list. The list also includes Tata Steel and five Indian public sector companies. [More](#)

- Intel Corporation of USA plans to invest \$40 billion in partnership with Indian IT companies to create an end-to-end IT solution in India's health sector. Intel will join hands with Hyderabad-based Karishma Software Ltd for Jeeva, - its integrated healthcare information system for hospitals. [More](#)

- India's NTPC-BHEL Power Projects Limited (NBPPL), a 50:50 Joint Venture between NTPC and

BHEL plans to invest approx \$1.5 billion to set up a power equipment manufacturing facility. The plant will have a capacity to manufacture critical components for power plants with an annual capacity of 5,000 MW by 2015. [More](#)

- India's Tata Consultancy Services maintained its position as India's top IT software and services exporter for 2007-08 followed by Infosys and Wipro according to Nasscom. [More](#)

- India's HCL Infosystems has announced a tie up with US based Echelon Corporation to bring its advanced metering systems into India. The tie-up would strengthen the position of HCL as a leading system integrator in the field of power. [More](#)

- The French cement company Lafarge plans to invest \$1 billion over five years to expand its cement capacity in India to about 20 million tons. [More](#)

- India's leading telecom company, Bharat Sanchar Nigam Limited (BSNL) plans to invest \$1.16 billion in its WiMax project. BSNL had signed a deal with US Company, Soma Networks, for WiMax solution operations in early 2008. [More](#)

- US-based fund, WL Ross will invest \$80 million in India's low-cost airline, SpiceJet. This is WL Ross' second investment in India, after acquiring fabric maker OCM for \$37 million in February 2007. [More](#)