



Policy Developments

☞ The Reserve Bank of India (RBI) has come out with the First Quarter Review of Monetary Policy 2009-10. The RBI has placed the growth projection for GDP for 2009-10 at 6.0 per cent with an upward bias and Wholesale Price Index inflation for end-March 2010 is projected at around 5.0 per cent. The Reserve Bank reiterated that it will maintain an accommodative monetary stance until there are definite and robust signs of recovery. The RBI also indicated that it will have to reverse the expansionary measures to anchor inflation expectations and subdue inflationary pressures while preserving the growth momentum and the exit strategy will be modulated in accordance with the evolving macroeconomic developments. [More](#)

☞ The Prime Minister's Council on Climate Change has approved in principle a Rs 91,684 crore (*approx* \$19 billion) mega-plan proposing to make India a global leader in solar power in next few decades. The Solar Mission is one of the seven missions proposed under the National Action Plan on Climate Change which was unveiled by Prime Minister last year. [More](#)

☞ The RBI has decided to allow eligible companies resident outside India to issue Indian Depository Receipts (IDRs) through a Domestic Depository. However, financial/banking companies having presence in India, either through a branch or subsidiary, have to get permission of the sectoral regulator before the issuance of IDRs. Foreign Institutional Investors (FIIs) including (Securities and Exchange Board of India) SEBI approved sub-accounts of the FIIs, registered with SEBI and Non-Resident Indians (NRIs) may also invest, purchase, hold and transfer IDRs of eligible companies resident outside India and issued in the Indian capital market, subject to the Foreign Exchange Management regulations. [More](#)

Economic News

☞ According to the report on Macroeconomic and Monetary Development released by RBI, there is a turnaround in business sentiment as per industrial outlook survey conducted by RBI. The index measuring respondents' assessment for April-June 2009 improved sharply by 20.3% over the previous quarter. The index, which measures expectations for forthcoming quarter (July-September 2009), improved by 14% over the previous quarter. [More](#)

☞ The Government of India will launch the eighth round of New Exploration Licensing Policy (NELP-VIII) and the fourth round of Coal Bed Methane Policy (CBM-IV) on August 8, 2009. 24 deep-sea blocks, 28 shallow water blocks and 18 onland blocks will be offered for bidding in NELP VIII. [More](#)

☞ Private equity (PE) and venture capital (VC) firms are keen on increasing their investments in Indian healthcare and life science companies, according to a report released by research firm, Venture Intelligence. PE and VC firms are now turning their attention to hospital chains, diagnostic services, medical devices and wellness products, according to the firm which surveyed 60 PE and VC firms. [More](#)

☞ The set of 59 non-banking companies in India have reported a 21% year-on-year growth in net profit India for the quarter ended June 30, 2009, the highest in four quarters, while their aggregate net sales grew 11%, according to a study by Economic Times. [More](#)

☞ The number of internet users worldwide is expected to touch 2.2 billion by 2013 and India is projected to have the third largest online population with China and the US taking the first two spots, respectively, according to a report by technology and market research firm Forrester Research. [More](#)

☞ China has emerged as India's largest trading partner, replacing US in 2008-09. The bilateral trade between India and China stood at nearly \$ 36 billion in April to February 2008-09, an increase of nearly 7%

compared to the same period in the previous year. The trade deficit with China expanded 41% in the period under consideration and stood at nearly \$20.3 billion, pointing towards fast expanding imports from China. [More](#)

☞ FDI inflows were higher in the first two months of 2009-10 at \$4.2 billion as compared to \$ 3.7 billion in the last two months of 2008-09, driven by recovery in the global financial markets, according to Department of Industrial Policy and Promotion, India. [More](#)

☞ An investment of nearly \$650 million would be made by industries in the Aerospace and Precision Engineering Special Economic Zone in Andhra Pradesh. Small and medium sector enterprises were also showing keen interest in setting up units in the SEZ. [More](#)

☞ India's Entertainment and Media industry is expected to grow at a compound annual growth rate (CAGR) of 10.5% between 2009-2013 compared to the global rate of 2.7% for the same period, according to a report by Price Waterhouse Coopers. [More](#)

☞ The official Wholesale Price Index for 'All Commodities' (Base: 1993-94 = 100) for the week ended 18th July 2009 rose by 0.04 percent to 236.8 (Provisional) from 236.7 (Provisional) for the previous week. The annual rate of inflation, calculated on point to point basis, stood at -1.54 percent (Provisional) for the week ended 18/07/2009 (over 19/07/2008) as compared to -1.17 percent (Provisional) for the previous week (ended 11/07/2009) and 12.54 percent during the corresponding week (ended 19/07/2008) of the previous year. [More](#)

☞ During the year 2008-09, India's exports from Special Economic Zones stood at Rs 99,689 crore (approx \$20.77 billion), as compared to Rs 66,638 crore (approx \$13.88 billion) in 2007-08, registering an increase of 50%. [More](#)

☞ India's Ministry of New and Renewable Energy is implementing a programme on 'Development of Solar Cities'. The programme aims to reduce a minimum of 10% of the projected demand of conventional energy of the city through energy efficiency measures and

renewable energy installations. A total of sixty cities are proposed to be developed as solar cities during the Eleventh Plan period including two model solar cities. [More](#)

☞ The total number of PE deals announced in India during the first half of 2009 stood at 93 with a total announced value of \$2.89 billion according to a report by Grant Thornton. [More](#)

Corporate News

☞ Tata Steel and Suzlon Energy have raised \$500 million and \$201.91 million respectively, by issuing securities in the global markets. Tata Steel raised money by issuing global depository receipts (GDRs) aiming at expansion of its Jamshedpur plant and overseas mining projects, while Suzlon raised \$108.04 million through the issue of GDRs and the remaining \$93.87 million through 'foreign currency convertible bonds' (FCCBs). [More](#)

☞ Essar Oil has tied up \$920 million loan for ramping up the capacity of its refinery at Gujarat to 16 million tonnes a year. The expansion is to cost \$1.6 billion. The expansion will be completed by December 2010. [More](#)

☞ MCX Stock Exchange and the UK-based FTSE Group have entered into an alliance to develop index-based products for the Indian equity market. FTSE Group is a joint venture between the London Stock Exchange and *The Financial Times*. FTSE specializes in designing and calculating a range of domestic and global indices for stock exchanges. [More](#)

☞ French nuclear group Areva SA's green arm, Areva Renewables, has signed a strategic partnership with Astonfield Renewable Resources Ltd to develop biomass power plants across India. [More](#)