



Policy Developments

☞ The Government has allowed companies located in Special Economic Zones (SEZs) to claim service tax refund for services availed outside the tax-free export zones. SEZ developers are also permitted to do the same. The refund will be allowed only for services that are related to authorized operations. [More](#)

☞ The Insurance Regulatory and Development Authority (IRDA) has directed insurance companies to disclose solvency margin, claim settlement record and loss ratio on a quarterly basis. The changes in the disclosure norms, along with the need to disclose the track record on dealing with customer grievances, are proposed to be effective from June, 2009. [More](#)

Economic News

☞ The Financial Stability Forum (FSF) has decided at its plenary meeting in London on 11-12 March, 2009 to broaden its membership and to invite India as a new member. The other countries that are invited to become as new members are the G-20 countries that are not currently in the FSF and these, apart from India, are Argentina, Brazil, China, Indonesia, Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, Spain and the European Commission. The FSF was established by the G7 finance ministers and central bank governors in 1999 to promote international financial stability through enhanced information exchange and international cooperation in financial market supervision and surveillance. [More](#)

☞ The Basel Committee on Banking Supervision (BCBS) has decided at its meeting on 10-11 March, 2009 to expand its membership and invite India as a new member. Other countries invited to become new members are Australia, Brazil, China, Korea, Mexico and Russia. The Basel Committee's governance body will also be enlarged to include the Central Bank Governors and Heads of Supervision from these new member organisations. The Basel Committee on Banking Supervision provides a forum for regular cooperation on banking supervisory matters. It seeks to

promote and strengthen supervisory and risk management practices globally. [More](#)

☞ The Public Private Partnership Approval Committee (PPPAC) of Government of India has cleared two port projects and five highway projects with a total cost of approx \$1.04 billion to be executed jointly by private developers and Government agencies. Since its constitution in January 2006, PPPAC has granted approval to 101 projects, with an estimated project cost of almost \$20 billion. [More](#)

☞ A technical advisory group set up by the Reserve Bank of India (RBI) has recommended the creation of a Housing Start-up Index (HSUI) to be based on newly-built residential units in urban India and compiled on a quarterly basis. The number of housing starts during a period indicates the demand and supply situation as reflected in conversion of building permits into actual starts. Housing starts are considered lead indicators of economic activity due to their strong forward and backward linkages with other sectors. [More](#)

☞ International Finance Corporation (IFC), a member of the World Bank Group plans to invest \$1.08 billion in India by June 2009. IFC operates in infrastructure, financial sector and environment sector in India. [More](#)

☞ India's annual (year-on-year) rate of inflation stood at 2.4 per cent for the week ended February 28, 2009 from 3.0 per cent in the week of February 21, 2009, continuing a progressive deceleration of inflation which began at the end of October 2008. Such a low rate was last recorded in July 2002. [More](#)

☞ The cumulative position of net assets of mutual funds in India stood at almost \$101.74 billion as on February, 28, 2009. Public and private sector mutual funds accounted for 21% and 79% of the net assets respectively. [More](#)

☞ RBI study of select 1,526 large public limited companies in India has concluded that their financial performance has moderated during the year 2007-08

compared to the performance in 2006-07, as indicated by the growth rates of sales, value of production, manufacturing expenses, gross profits, net worth, etc. Net worth grew at a higher rate of 31.2 per cent in 2007-08 as compared to 28.4 per cent in 2006-07 mainly on account of huge infusion of external funds by a few companies through issuance of preference shares and ordinary shares at a high premium. [More](#)

🌀 FDI inflows into India during the period April, 2008 to January, 2009 stood at \$27.43 billion, compared to \$25.25 billion, during the same period last year, an increase of 14%. India attracted foreign direct investment (FDI) worth US\$ 2.7 billion in January 2009, up 58.8 per cent from January 2008. [More](#)

Corporate News

🌀 The Government of India has awarded a coal block each to Tata Sons-Sasol joint venture and Jindal Steel and Power for converting coal to liquid petroleum involving an investment of almost \$18 billion. The two projects would result in production of 1,60,000 barrels of crude oil a day. [More](#)

🌀 Aegis, the business process outsourcing outfit of the Essar Group, plans to acquire the Nasdaq-listed ICT Group (ICTG) for \$132 million. ICT Group is a BPO firm that manages over 40 contact centres throughout North America, Europe and Asia-Pacific. [More](#)

🌀 The world's leading desktop PC and notebook vendor, Hewlett-Packard (HP), has started manufacturing business notebooks in India. The decision is based on the huge market potential and the need to be closer to the sales channel in India. [More](#)

🌀 US-based Astonfield Renewable Resources is planning to invest \$ 2 billion in the next five years, and a major portion of it would be used for setting up solar power projects in India. [More](#)

🌀 The Greenko Group plans to invest about \$300 million (about Rs 1,470 crore) in three years for setting up about 15 clean energy projects in the country. The

company plans to add about 300 MW through hydro and biomass projects in the next three years. [More](#)

🌀 Mercedes-Benz India plans to revamp research and development (R&D) facility in India by increasing headcount to 1,000 engineers from 200 in its Bangalore R&D facility, which is expected to be one of the largest R&D facility of Mercedes outside Germany. [More](#)

🌀 Reliance Power Transmission (RPTL), a wholly-owned subsidiary of Reliance Infrastructure, will invest nearly \$360 million in setting up a 1,500-km transmission line that will pass through Maharashtra, Madhya Pradesh, Gujarat and Karnataka. The project will help transfer surplus power from eastern states to the western region. [More](#)

🌀 India Infrastructure Finance Company Limited (IIFCL) plans to raise \$250 million from overseas markets for funding infrastructure projects in India including ultra mega power projects. [More](#)

🌀 India's HCL Technologies has signed a seven-year global IT services engagement with the Reader's Digest Association (RDA) of USA worth \$350 million (around Rs 1,780 crore). HCL's deal with the RDA will support the RDA operations in 45 countries and 14 languages. [More](#)