



Policy Developments

☞ The Securities and Exchange Board of India (SEBI) has decided to double the open position limit in exchange-traded currency derivatives. It has increased the gross open position of banks across all contracts up to 6 per cent of the total open interest or \$10 million, whichever is higher. At present, there is a limit of 6 per cent of the total open interest or \$5 million. For non-bank trading members, the limits have been enhanced to 15 per cent of the total open interest or \$50 million, whichever is higher, from 15 per cent or \$25 million earlier. [More](#)

☞ The Reserve Bank of India (RBI) has decided to extend the date for completion of the procedure for buyback of foreign currency convertible bonds (FCCBs) from March 31, 2009 to December 31, 2009. The RBI has said that it would consider proposals from Indian companies for buyback of FCCBs under the approval route, provided the buyback value of the FCCB was at a minimum discount of 25% on the book value. The funds used for the buyback would also have to be out of internal accruals and the total amount of buyback should not exceed \$ 50 million of the redemption value, per company. [More](#)

☞ The Derivatives Market Review Committee appointed by SEBI has recommended various measures to provide world class standards to Indian stock exchanges. The important measures include physical settlement of derivative contract first in options and then in futures segment, revision in eligibility criteria for introduction of Futures and Options on stocks and indexes, upward revision of position limits, revisiting Securities Transaction Tax (STT), etc. [More](#)

☞ The Reserve Bank of India (RBI) has decided to allow Indian companies to hedge carbon credits and freight contracts on overseas exchanges. Indian companies can hedge their exposure in the local physical market at overseas exchanges. [More](#)

Economic News

☞ India's total external debt stock is placed at US\$ 230.85 billion at end-December 2008 as against US \$224.65 billion at end-September 2008, recording an increase of US\$ 6.2 billion or 2.8 per cent over the end-September 2008 level. Long-term debt, at US \$ 183.37 billion, accounted for 79.4 per cent of total external debt. [More](#)

☞ India's cumulative value of exports for the period April- February, 2008-09 was US \$ 156.59 billion (Rs.705231 crore) as against US \$ 145.88 billion (Rs.586233) registering a growth of 7.3 per cent in dollar terms and 20.3 per cent in rupee terms over the same period last year. Exports during February, 2008-09 were valued at US \$ 11.91 billion which was 21.7 per cent lower than the level of US\$ 15.22 billion during February 2008. [More](#)

☞ India's private transfer receipts, comprising mainly remittances from Indians working overseas, increased to US\$ 36.9 billion in April-December 2008 from US\$ 29.3 billion in the corresponding period of the previous year, an increase of almost 26%. [More](#)

☞ India's net external commercial borrowings (ECBs) inflow slowed down to US\$ 7.1 billion in April-Dec 2008 (US\$ 17.4 billion in April-Dec 2007) mainly due to tight liquidity conditions in the overseas markets. [More](#)

☞ India's financial sector is generally sound, resilient and fairly liquid and the financial infrastructure robust, according to the report of the Committee on Financial Sector Assessment. The concerns pointed out by the report include corporate governance in the co-operative sector, funding constraints of Non-Banking Finance Companies and the lack of up-to-date data to gauge household indebtedness. The self assessment has been motivated by the desire to ensure compatibility of the Indian financial sector with international standards and assess its overall stability. [More](#)

☞ The total wireless subscriber base in India stood at 375.74 million at the end of February 2009. A total of 13.44 million wireless subscribers have been added during the month of February 2009 as against 15.41 million wireless subscribers added during the month of January 2009. The overall tele-density has reached 35.62 at the end of February 2009 as against 34.50 in January 2009. [More](#)

☞ According to a new British Government report, India has a market value of \$262 billion in low-carbon and environmental goods & services (LCEGS). India has 6% share of the \$ 4.37 trillion global market and is tied with Japan at the third position. The US leads with a market share of 20.6%, followed by China with a market share of 13.5%. [More](#)

☞ A two-year study by healthcare researchers at Deloitte Inc has revealed that India ranks second in medical tourism. In 2007, Indian hospitals treated 450,000 foreign patients as against 1.2 million patients by Thailand, which topped the list. [More](#)

Corporate News

☞ GE Healthcare, the medical devices unit of General Electric Co., plans to invest \$25 million in a special laboratory in Bangalore that would simulate the complete environment of a hospital to test new products in an attempt to make India a strategic centre for its global healthcare equipment market. [More](#)

☞ The European aircraft manufacturer Airbus plans to build a manufacturing base in India over the next 3-4 years. Airbus currently employs 200 highly-skilled employees at its design centre in Bangalore. The headcount is expected to double to 400 in the next few years. [More](#)

☞ Microsoft India has announced a partnership with HCL Infosystems to provide its Enterprise Resource Planning (ERP) solutions to small and medium businesses (SMBs) in India. HCL Infosystems will make Microsoft Dynamics NAV Business Essentials solution available through its various points of presence and also implement it for the SMBs. [More](#)

☞ India Infrastructure Finance Company Limited plans to lend Rs 10,000 crore (US \$2 billion) to banks for financing infrastructure projects. Banks will get the funds at an interest rate of 7.85% and can charge up to 10.35% from infrastructure developers. [More](#)

☞ GE, the American technology and services conglomerate, has expanded its research and development capabilities in India. The company has opened a new facility at the John F Welch Technology Centre in Bangalore, GE's largest integrated multidisciplinary R&D centre outside of the US. The new facility called *Odyssey* has bagged Leadership in Energy and Environmental Design gold certification and will house 2000 scientists and engineers. [More](#)

☞ Reliance Industries Ltd is planning to sell petrol and diesel from its twin refineries at Jamnagar in Gujarat directly to the United States of America, the world's largest fuel consumer. The company recently started gasoline trading operations in the US. Its office located in Houston would trade in gasoline both on the US Gulf Coast and New York Harbor market. [More](#)

☞ NASDAQ-listed American Tower Corporation has acquired the Mumbai-based independent tower company, Xcel Telecom. Industry analysts had put an enterprise valuation of around \$170 million for Xcel Telecom, which owns and operates around 1,700 towers in India. [More](#)

☞ Indian utility, Tata Power Co Ltd, has reported that its defence systems unit has secured a contract worth Rs. 1.83 billion (\$36 million) to supply missile launchers in India. The company's strategic electronics division will supply 16 'Akash' missile launchers over 33 months. [More](#)

☞ The engineering conglomerate Larsen & Toubro Ltd has received an order worth Rs.3.45 billion (\$67.6 million) to manufacture and supply steam generators for Nuclear Power Corporation of India. [More](#)