



## Policy Developments

☞ The Government of India has launched the Eighth round of New Exploration Licensing Policy (NELP-VIII) and Fourth round of Coal Bed Methane (CBM-IV). NELP-VIII round offers 70 exploration blocks comprising of 24 deepwater blocks, 28 shallow water blocks, 18 onland blocks, including 10 onland small sized (Type-S) blocks. CBM-IV round offers 10 CBM blocks. [More](#)

☞ Securities Exchange Board of India (SEBI) has decided to permit mutual funds and foreign institutional investors and mutual funds to invest in Indian Depository Receipts (IDRs). It has also permitted the issue of depository receipts by the custodians on behalf of the issuers. In order to mitigate concentration risk, SEBI has also decided that no mutual fund scheme shall invest more than 30% of its net assets in money market instruments of an issuer. These limits will not cover investments in government securities, T-Bills and Collateralized Borrowing and Lending Obligations. [More](#)

## Economic News

☞ The Prime Minister's Economic Advisory Panel has revised India's GDP growth projection to 6.5-7.0% from its earlier projection of 7.1% in January, 2009. The panel said that the downturn has affected the Indian economy through export related industries and capital flows. [More](#)

☞ United Nations Industrial Development Organization (UNIDO) has stated that developing countries produced almost 30% of world manufacturing value added (MVA) at the end of 2008 as compared to 16% in 1990. For India, the growth rate of MVA output rose from 6.9% in 2000-2005 to 12.3% in 2005-2007. The MVA per capita grew 10.6 % in 2005-2007 compared to 5.2% in 2000-2005. [More](#)

☞ Indian multinational enterprises (MNEs) have become significant investors in global business markets

with foreign assets growing by more than 100 per cent annually in recent years, and India is rapidly staking a claim to being a true global business power, according to a survey of Indian MNEs investing outside India. The survey done by the Indian School of Business (ISB) and the Vale Columbia Center on Sustainable International Investment (VCCI) was released at Columbia University in New York. The leading company on the list of 24 Indian MNEs was Oil and Natural Gas Corporation (ONGC), which accounted for 31 per cent of the foreign assets on the list. It was followed by the conglomerate Tata Group, accounting for a further 27 per cent. The Tata Group had the largest number of employees abroad, just under 25,000. [More](#)

☞ India's corporate sector raised \$14 billion from domestic primary markets through debt papers in 2008-09, an increase of 46.7% as compared to \$9.51 billion raised in the year 2007-08 according to data released by Centre for Monitoring Indian Economy. [More](#)

☞ India's annual year-on-year rate of inflation declined to 0.18 per cent in the week ended April 4, 2009. The corresponding inflation rate in 2007-08 was 7.7 per cent. [More](#)

☞ Pharmaceutical exporters forecast a 16 per cent increase in exports in 2009-10, according to a survey by the Federation of Indian Chambers of Commerce and Industry (FICCI). The other Sectors which are expected to witness an expansion in exports of more than 10 per cent include engineering goods, pharmaceuticals, rubber manufactured goods as well as glass and ceramics. [More](#)

☞ India's domestic insurance companies' investments in equities rose sharply during the fiscal ended March 2009; their net purchase of equity rose 70 per cent during this period. They were net buyers of equity for Rs 53,000 crore (approx \$10.60 billion) in the fiscal year ended March 31, 2009; against Rs 31,000 crore (approx \$6.2 billion) in the previous fiscal, as per data released by SEBI. [More](#)

During the calendar year 2008, funds amounting to Rs 31,069 crore (approx \$6.2 billion) were raised through rights issue by the Indian corporate sector, a two-fold increase over the last year's figure of Rs 14,085 crore (approx \$2.82 billion), as per data compiled by brokerage firm SMC Capital. [More](#)

According to the latest data from a survey conducted by the Economist Intelligence Unit for PricewaterhouseCoopers (PwC), financial institutions in India remain optimistic about expansion with many firms actively planning to take advantage of the unprecedented opportunities arising as a result of the financial crisis. As many as 40% of respondents cite expansion as their key strategy in the current economic climate with 50% saying they plan to invest further in their own businesses, 25% planning to enter into new business lines and 50% into new markets. [More](#)

## Corporate News

Reliance Industries has begun natural gas production from its deep-sea Krishna Godavari basin fields. The \$8.84-billion project will double domestic natural gas production when the field hits its peak output of 80 million cubic metres per day in 2010. [More](#)

HCL Technologies Ltd (HCL), a leading IT service provider, has entered into a six-year, multi-regional data centre services and transformation engagement with Xerox Corporation. The contract will span mid-range services, business continuity and disaster recovery for Xerox's information management operations. HCL will manage data centre hosting and migration, virtualization, consolidation and storage architecture services across North America and Europe. [More](#)

US-based Sikorsky Aircraft Corporation, a subsidiary of United Technologies Corporation has delivered its first commercial helicopter last week to a Mumbai based corporate signifying their formal entry into India. The company plans to make India its hub for catering to the South Asian market after forming a joint venture with the Tata Group for manufacture of helicopter cabins in India. [More](#)

Communication and life sciences analyst Agilent Technologies has announced the launch of the India Innovation Initiative (i3) in collaboration with the Department of Science and Technology and industry body CII. The programme has the objective of creating an eco system for conducive growth by promoting innovators and facilitating commercialization of such project. [More](#)

State Bank of India has launched a fund with Australia's Macquarie Group to invest in infrastructure projects in India. The fund is expected to raise between \$2-\$3 billion while SBI will directly invest \$150 million in the fund. [More](#)

Philips is planning to make India one of its global production hubs for the manufacture of medical equipment for medical equipment. The company plans to invest substantially on up-grading its acquired manufacturing facilities and increasing their capacity, with plans to start shipping them globally in another 18-24 months. [More](#)

Maruti Suzuki, India's leading car company, is working on an ambitious plan to launch electric cars and compressed natural gas (CNG) variants for three or four models in the Indian market. The plan is part of the company's broad strategy to develop small cars that run on alternative fuel technology. [More](#)

Morningstar Inc, an independent investment research company has started its India operations as part of a plan to expand business in Asia. The Chicago, based company operates in more than 20 countries and has offices in Taiwan, Singapore, China, Malaysia and Hong Kong. [More](#)