



Policy Developments

Indian has become a full-fledged member of Financial Action Task Force (FATF), an inter-governmental body, responsible for setting global standards on anti-money laundering (AML) and combating the financing of terrorism (CFT). [More](#)

The Government of India has approved the implementation framework of the National Mission for Enhanced Energy Efficiency (NMEEE), which seeks to strengthen the market for energy efficiency by creating conducive regulatory and policy regime. NMEEE has been envisaged to foster innovative and sustainable business models to the energy efficiency sector. The NMEEE is one of the eight national missions under the National Action Plan on Climate Change. During the next four years, NMEEE will help achieve total avoided capacity addition of 19,598 MW, fuel savings of around 23 million tonnes per year and green house gas emissions reductions of 98.55 million tonnes per year. [More](#)

The Reserve Bank of India has allowed companies to issue zero-coupon non-convertible debentures (NCD) at a discount to the face value. NCDs shall not be issued for maturities of less than 90 days from the date of issue. NCDs may be issued to and held by individuals, banks, Primary Dealers (PDs), other corporate bodies including insurance companies and mutual funds registered or incorporated in India and unincorporated bodies, Non-Resident Indians (NRIs) and Foreign Institutional Investors (FIIs). [More](#)

Economic News

India's external debt, as at end-March 2010, was placed at US \$ 261.4 billion (18.9 per cent of GDP) recording an increase of US \$ 36.9 billion or 16.5 per cent over the end-March 2009 level. The share of commercial borrowings stood highest at 27.2 per cent

as at end-March 2010 followed by short-term debt (20.1 per cent), NRI deposits (18.4 per cent) and multilateral debt (16.3 per cent). [More](#)

The value of India's exports during May, 2010 stood at \$ 16.15 billion (Rs. 73964 crore) which was 35.1 per cent higher in dollar terms than the level of US \$ 11.95 billion (Rs.58005 crore) during May, 2009. The cumulative value of exports for the period April-May 2010 stood at US \$ 33.03 billion (Rs 149111 crore) as against \$ 24.34 billion (Rs. 120069 crore) registering a growth of 35.7 per cent in dollar terms over the same period last year. India's imports during May, 2010 were valued at US \$ 27.44 billion (Rs.125694 crore) representing a growth of 38.5 per cent in dollar terms over the level of imports valued at US \$ 19.80 billion (Rs. 96125 crore) in May, 2009. Cumulative value of imports for the period April-May, 2010 was US \$ 54.74 billion (Rs. 247211 crore) as against US \$ 38.86 billion (Rs. 191502 crore) registering a growth of 40.9 per cent in dollar terms over the same period last year. [More](#)

The six 'core' infrastructure industries have registered a 5 per cent year-on-year growth in May,2010 compared with 3.2 per cent in the same month of the last fiscal year. For the first two months of 2010-11, the overall annual core sector growth worked out to 5.1 per cent, against 3.5 per cent during April-May 2009-10. The six core industries are coal, electricity, finished steel, cement, crude oil and petroleum refinery products. [More](#)

India's wireless subscriber base increased from 601.22 Million in April-2010 to 617.53 million at the end of May-2010, registering a growth of 2.71%. The overall tele density stands at 55.38%. [More](#)

India has emerged as the number two in the world in global manufacturing competitiveness, next only to China and ahead of US, Japan and Germany, according to a report from research firm Deloitte and US Council on Competitiveness. [More](#)

🌀 Merger and Acquisitions (M&A) in India touched \$40 billion in the first six months of 2010, according to a Thomson Reuters M&A report. Indian transactions accounted for a sixth of the total Asian deals of \$242.1 billion. Bharti's acquisition of Zain assets in Africa for \$10.7 billion tops the Asian list. [More](#)

🌀 The World Bank total lending to India will touch \$ 9.3 billion for the fiscal ending June, 2010. [More](#)

🌀 The India-US CEO Forum has suggested creation of a \$10 billion debt fund for development of infrastructure in India. The other recommendations include collaboration under the National Solar Mission of India, a long term initiative on diabetes research and treatment, linkages between educational institutions and joint research in clean energy, including bio-fuels. [More](#)

🌀 The Government of India has projected that the capacity of ports in the country is likely to reach 1.2 billion tonnes over the next two years, with major expansion programmes underway in the shipping sector. The capacity development programme is underway and the Government has invited bids for 25 port projects worth Rs 25,000 crore (approx \$5.46 billion) to be built under a public-private partnership (PPP) model. Schemes worth Rs 6,500 crore (\$1.42 billion) are under implementation. [More](#)

Corporate News

🌀 According to a report released by India-US World Affairs Institute and the University of Maryland in partnership with FICCI, 372 acquisitions were made by Indian companies in the US between 2004 and 2009 worth \$21 billion. During the same period, there were 127 greenfield investments worth \$5.5 billion by Indian companies in the US. [More](#)

🌀 Tata Technologies, the engineering and design subsidiary of Tata Motors, India's leading auto maker, has been selected by US-based Genovation Cars to design and build a prototype of an electric car for it. Genovation Cars is a Maryland-based manufacturer of environmentally friendly cars is engaged in

manufacturing and designing of battery-operated, custom-crafted cars for the US market. [More](#)

🌀 The semi conductor market in India is projected to grow at a compounded annual growth rate of 22.1% and touch \$ 8.04 billion in 2011, according to the India Semiconductor Association. According to the ISA-Frost & Sullivan India Semiconductor Market 2009-2011 report, the Indian semiconductor market grew 15.6 per cent in 2009, in contrast to the global market that shrunk by 11 per cent from 2008 levels. [More](#)

🌀 Toyota Kirloskar, which focuses mainly in metros and urban areas, has drawn up plans to sell 40% of its cars in the rural markets. The company believes the car market in India will grow in the range of 10% against the global growth rate of 5%. [More](#)

🌀 Alcatel-Lucent plans to shift its global services headquarters to India. The company will invest \$500 million over the next three years in India. [More](#)

🌀 The Indian cloud computing market which stands at \$110 million may grow almost ten times to reach over \$1 billion by 2015, according to a study done by the global consulting firm, Zinnov Management Consulting. [More](#)

🌀 The US-based climate control solutions provider Lennox International has set up a global technology centre in Chennai. Lennox has four engineering and R&D centers in the US, two in France and one in China. [More](#)

🌀 India's bio-tech industry clocked a 17 percent growth with revenues of \$3 billion in 2009-10 according to the survey by the association of biotechnology led enterprises and the BioSpectrum journal. According to the study, the industry is maturing and its annual growth will be around 20 percent in the near future. [More](#)

🌀 Six new special economic zones (SEZs) are expected to come up in Tamil Nadu during the current financial year. Total investments in these SEZs are likely to exceed Rs 50,000 crore (approx \$10.92 billion).

The new SEZs include an engineering SEZ at Perundurai promoted by State Industries Promotion Corporation of Tamil Nadu Limited (Sipcot), a multiservice SEZ and a light engineering one, both near Kalpakam, free trade warehousing zone at Sriperumbudur, food processing zone at Tuticorin and a multi-product SEZ at Nanguneri. [More](#)

🌀 Inno, a global investment group focused on real estate, is planning to invest around \$150 million (Rs 690 crore) in various residential projects in the country in the next six to seven years. Inno Investments has raised four India-focused real estate private equity funds and funded six projects in India with a total gross development value of Rs 2,600 crore (approx \$567 million), involving development of over 14 million square feet. [More](#)

🌀 Reliance Industries will invest \$1.36 billion in shale assets of Pioneer Natural Resources. Under the agreement, Pioneer will sell 45 percent stake in its Eagle Ford shale acreage in south Texas to Reliance for \$1.15 billion, the US firm has said in a statement. [More](#)

🌀 Yum Brands Inc, the owner of Pizza Hut, KFC and Taco Bell restaurant chains, aims to earn a profit of \$100 million in India by 2015. Yum has over 70 KFCs and 160 Pizza Hut units in India. It recently opened its first Taco Bell outlet in March. The company expects to have a total 1,000 units by 2015. [More](#)

🌀 General Motors India will invest \$100 million to manufacture light commercial vehicles (LCVs) next year. The Company has said that the LCVs would be sold through a completely new sales and distribution network and there would be no sharing with the existing network for passenger cars. [More](#)