



Policy Developments

☞ The Government of India, in consultation with the Reserve Bank of India, has decided to issue a new short-term instrument, known as Cash Management Bills, to meet the temporary cash flow mismatches of the Government. The Cash Management Bills will be non-standard, discounted instruments issued for maturities less than 91 days. The proposed Bills will be issued at discount to the face value through auctions, as in the case of the Treasury Bills. [More](#)

☞ Reserve Bank of India (RBI) has decided to set up a Financial Stability Unit drawing upon inter-disciplinary expertise from supervisory, regulatory, statistics, economics and financial markets departments for carrying out periodic stress testing and for preparing financial stability reports keeping in view both international and domestic initiatives for resolving the current crisis and strengthening the international financial architecture. [More](#)

Economic News

☞ India will host the next International Renewable Energy Conference (DIREC, 2010) on October 27-29, 2010 at New Delhi. The Delhi Conference is the fourth in the series, following events at Washington in 2008, Beijing in 2005 and Bonn in 2004. The Conference aims to showcase India as an investment destination for renewable energy, provide a platform for technology displays, new applications and innovations; display global research & development with respect to climate change and green environment; demonstrate the sectoral strength of the global renewable energy industry; and facilitate: (i) buyers and sellers matching (ii) one to one meetings for setting up of joint ventures in the Renewable Energy Sector and (iii) provide an opportunity to Indian Renewables. [More](#)

☞ The Summer 2009 KPMG Business Outlook Survey, which surveys around 1,800 manufacturing

sector firms across the BRIC countries, highlights the strong and broad based rebound in sentiment following the drop seen in the aftermath of the financial crisis. [More](#)

☞ The signing of the Free Trade Agreement (FTA) with the Association of South-East Asian Nations, or ASEAN, would increase the overall trade turnover between India and the ASEAN to as much as \$50 billion. As part of the Comprehensive Economic Cooperation Agreement, the FTA will integrate the two globally important economic blocks for mutually beneficial economic gains. ASEAN is a major trading partner for India and accounts for about 10% of its global trade. In the last financial year, bilateral trade between India and ASEAN was more than US \$ 40 billion. The agreement would come into force from January, 2010. [More](#)

☞ The Foreign Direct Investment to India stood at \$7.01 billion during the first quarter of 2009-10, as compared to \$ 10.07 billion during the same period in 2008-09. The FDI inflows in the last three months of 2008-09 stood at \$5.18 billion. [More](#)

☞ The Index of Industrial Production (IIP) for June, 2009 recorded an annual increase of 7.8% as compared to a 5.44 % growth registered during the same month last year. The index reveals that the production of capital goods has increased by 11.75 % compared to last year. [More](#)

☞ The Export-Import Bank of the US has approved nine Indian financial institutions and made a commitment of \$2.45 billion under its India Infrastructure Facility for lending to the country's infrastructure projects and capital goods purchases. [More](#)

☞ Despite accounting for only 2% of the global clinical trials in terms of volumes, India has emerged as the third most attractive destination for clinical trials in the AT Kearney global survey. [More](#)

☞ The Tamil Nadu Government has lined up projects worth Rs 11,204 crore (approx \$ 2.34 billion) under public-private partnership (PPP). The State Government would focus on developing urban infrastructure, roads, airports, ports, SEZs, water supply/sewerage, housing, tourism, agriculture, health and education. [More](#)

☞ Russia, India and South Africa were the most mature foreign exchange markets out of the 14 emerging markets according to India's foreign exchange firm Mecklai Financial which has developed market maturity index (MMI) using data from the last (2007) Bank of International Settlements survey of central banks. [More](#)

☞ The assets under management of India's mutual fund industry touched \$143.95 billion at the end of July, 2009, registering a growth of 24% compared to the previous month. [More](#)

☞ India's net direct tax collections during first four months of 2008-09 stood at Rs.73,990 crore (approx \$15.41 billion), up from Rs.71,648 crore (\$14.89 billion) in the same period last year, registering a growth of 3.27 percent. Growth in Corporate Taxes was 2.61 percent, while Personal Income Tax grew at 4.33 percent. [More](#)

☞ Investments worth \$15.63 billion has been lined up for various power projects in Maharashtra and these investments are spread in generation, transmission and distribution and also include those projects that are currently at various stages of development after having obtained approvals. [More](#)

☞ India added 12.03 million wireless subscribers in June, 2009, taking the total wireless subscriber base to 427.28 million. The total tele density stands at 39.86% at the end of June, 2009. The total broadband subscriber base increased to 6.62 million during the same period. [More](#)

☞ The annual rate of inflation, calculated on point to point basis, stood at (-)1.74 percent for the week ended August 1, 2009 (over August 2, 2008) as compared to

(-)1.58 percent for the previous week (ended July 25, 2009) and 12.91 percent during the corresponding week (ended August 2, 2008) of the previous year. [More](#)

Corporate News

☞ National Thermal Power Corp (NTPC) has announced a decision to diversify beyond fossil fuels. The company, which accounts for 31,000 megawatt (Mw), around one-fifth of India's total power generation capacity, has set itself a target of raising its total capacity to 75,000 MW by 2017. [More](#)

☞ Gas Authority of India Limited, the country's largest gas transportation company, will invest nearly \$1.6 billion in building India's longest gas pipeline from Jagdishpur in Uttar Pradesh to Haldia in West Bengal State. [More](#)

☞ Passenger car manufacturers in India like Hyundai Motor India Ltd, Tata Motors, Mahindra and Mahindra and Fiat India witnessed a high double-digit growth in sales of July, 2009, as compared to July, 2008. [More](#)

☞ Tata Power Company plans to spend \$4.9 billion over three years to expand capacity and is keen to participate in nuclear power when the sector is opened up for private participation. The company currently has an installed generation capacity of 2,785 MW. [More](#)

☞ French major Societe Generale has decided to expand its private banking operations in India. The bank plans to spread out its reach, introduce innovative products and recruit more employees. [More](#)