



Policy Developments

India's Finance Minister Mr. Pranab Mukherjee and U.S. Secretary of the Treasury, Mr. Timothy F. Geithner launched the India-U.S. Financial and Economic Partnership to strengthen bilateral engagement and understanding on macroeconomic, financial sector and infrastructure-related issues on 6th April, 2010 in New Delhi. The newly-launched dialogue will encompass discussions of economic developments in both countries as well as bilateral policy actions in the broader context of the G-20 commitment to strong, sustainable and balanced growth. The Partnership will also serve as a forum to share experiences and engage in a robust and ongoing dialogue on infrastructure financing, including the potential of private-public partnerships to unlock private sector financing for critical investment. [More](#)

The Reserve Bank of India has allowed Indian telecom companies to participate in a consortium with other international operators to construct and maintain submarine cable systems on co-ownership basis under the automatic route. Banks can allow remittances by Indian companies for overseas direct investment, after ensuring that the firm has obtained necessary licence from the Department of Telecommunications to establish, install, operate and maintain international long distance services. [More](#)

Securities and Exchange Board of India has extended the application supported by blocked amount facility to institutional investors. Currently, the facility is only available for retail investors and high net worth individuals. The new norms would be applicable for all public issues from May 1, 2010. [More](#)

Economic News

India's total external debt stock stood at US\$ 251.4 billion as at end-December 2009, an increase of 11.9% compared to March 2009 estimates of US\$ 224.6 billion. Government (Sovereign) external debt was US\$ 66.9 billion (a share of 26.6 per cent in total external

debt) as at end-December 2009 as against US\$ 55.9 billion (a share of 24.9 per cent of total external debt) as at end-March 2009. [More](#)

Private equity firms invested about \$2 billion across 56 deals during the quarter ended March 2010, according to a study by Venture Intelligence, a research service focused on private equity and merger and acquisitions (M&A) transaction activity in India. The amount invested during the latest quarter was significantly higher than that during the same period last year which witnessed \$620 million being invested across 58 deals. [More](#)

The Index of Industrial Production registered a growth rate of 15 per cent on year-on-year basis in February 2010. The capital goods and consumer durables sectors posted strong growth of 44 per cent and 30 per cent, respectively on the back of revival in capital investment and higher consumer confidence. [More](#)

According to VCCEdge, the financial research firm, the value of merger and acquisition deals in India rose to \$19.2 billion in the first quarter of 2010, up from \$5.2 billion in the first quarter of 2009. [More](#)

Investment by the private sector in India's infrastructure has picked up in recent years, as indicated by the mid-term appraisal of the Eleventh plan (2007-2012) by the Planning Commission. Private sector investments accounted for 80% of total investments in ports, 82% in telecom, 64% in airports, 44% in electricity, 16% in roads and 4% in railways. [More](#)

The order book of corporate sector in India has doubled during January-March 2010 compared to the same period in the previous year. At Rs 92,290 crore (US\$ 20.67 billion), it is also the biggest ever order inflow in any quarter, beating the earlier high of Rs 74,775 crore (US\$ 16.74 billion) recorded during the quarter ended September 2009 according to data from Business Standard Research Bureau. [More](#)

According to data by Association of Mutual Funds of India, The mutual fund industry in India witnessed a net inflow of Rs 83,081 crore (\$18.6 billion) in 2009-10 as against a net outflow of Rs 28,297 crore (\$6.33 billion) in 2008-09. [More](#)

India's two-wheeler sales stood at 10.5 million during 2009-10, up by 24.52%, compared to 8.5 million during 2008-09, according to data by Center for Monitoring Indian Economy. The market for two-wheelers in India is dominated by motorcycles accounting for nearly 77-78 % of all sales. [More](#)

The automobile industry in India recorded a 26 per cent growth in domestic sales in 2009-10. The strong sales have made India the second fastest growing market after China (42 per cent), followed by Germany (23 per cent) according to data from Society for Indian Automobile Manufacturers. [More](#)

The cement industry in India with over 50 players despatched 199.98 million tonne of the building material in 2009-10 compared with 181.01 million tonne in 2008-09, recording a rise of 10.48 per cent. [More](#)

Foreign portfolio investors have invested \$5 billion in Indian corporate paper in the first three months of 2010. The bulk of such investments have been in top-rated bond offerings of an average tenure of 18 to 24 months and in commercial paper. [More](#)

The total earnings of Indian Railways during the financial year 2009-10 were Rs. 86644.43 crore (\$19.39 billion) compared to Rs. 80264.60 crore (\$17.97 billion) during 2008-09, registering an increase of 7.95 per cent. The total goods earnings and passenger earnings registered a growth of 7.63% and 8.07% respectively. [More](#)

India's wireless subscriber base increased by 18.76 million from 544.98 million in January, 2010 to 563.73 million in February, 2010, registering a growth of 3.44%. The overall tele-density in India has touched 51.05%. [More](#)

The Government of India proposes to raise the capacity of the major ports to over 825 million tonnes by 2011-12. With additional capacity of 500 million tonnes at minor ports, the total capacity of all ports in the country is projected to reach 1.25 billion tones by 2012. [More](#)

India is likely to be one of the top 10 drug markets in the next 10 years and will be worth at least \$50 billion according to a report by Pricewaterhouse Coopers. India is now the 14th largest market in the world with annual sales of \$19 billion as of March 2009. [More](#)

Corporate News

Gas Authority of India Limited, India's leading gas marketing company, will invest about Rs 15,000 crore (\$3.37billion) over the next two-three years in expanding its pipeline network to connect consumption centres. It is laying 5,000 km of pipeline to connect gas sources on the western coast of India to consumption centres in the north by 2013. [More](#)

JP Morgan Chase plans to enter the corporate banking sector in India, offering services such as providing working capital, cash management solutions, foreign exchange and hedging tools. [More](#)

Coal India plans to invest Rs 6,000 crore (\$1.35 billion) in foreign acquisitions in 2010-11 and is currently evaluating 10 overseas proposals that include five proposals for equity infusion. The proposals cover mining assets in countries such as the US, Australia and Indonesia. [More](#)

India's first Integrated Coal Gasification Combined Cycle power plant will come up in Vijayawada in Andhra Pradesh and will be set up by three joint venture partners, with one of them being Bharat Heavy Electricals Ltd . The other partners are Department of Science and ApGenco. [More](#)

The joint venture of Nuclear Power Corporation of India Limited (NPCIL) and National Thermal Power Corporation (NTPC) plans to build two 700 MWe nuclear power plants at a site identified by the Department of Atomic Energy. NPCIL and NTPC had

entered into an agreement in February, 2009 to start a joint venture company that will build nuclear power plants. [More](#)

☞ Bharti Airtel has acquired most of the African assets of Kuwait's Zain Telecom. The \$10.7-billion deal, including \$1.7 billion of Zain's debt, was signed in Amsterdam. Bharti Airtel will have 179 million subscribers including Zain Africa's 42 million customers. [More](#)

☞ Azure Power, an independent solar power producer, is in the process to set up 15 Mw solar photovoltaic power project in Gujarat. The company has also inked an agreement with the state government. The proposed plant will come up at Dahegam near Gandhinagar. [More](#)

☞ Larsen and Toubro has signed a MoU with the UK Company, Rolls-Royce to collaborate in nuclear instrumentation and controls, reactor components, in-service reactor support and waste management. L&T will obtain these capabilities for light water reactors, which currently comprise 60 per cent of the world's installed nuclear capacity. [More](#)

☞ The MIT Sloan School of Management, one of the five schools of Massachusetts Institute of Technology, USA, will be an associate school of the Indian School of Business for its upcoming campus at Mohali near Chandigarh. The Mohali campus would be ready in two years and the first batch of admissions are likely to happen from 2012. [More](#)

☞ HCL Technologies and Boeing Company have decided to open a Centre of Excellence in Chennai to support test-and-evaluation operations at Boeing. The facility will provide engineering design, development and support for applications that the Boeing Test and Evaluation uses on various products. [More](#)

☞ US-based Carlyle group has raised \$2.6 billion to invest in Asia, a third of which is likely to be invested in India. Carlyle has invested around \$950 million in India through its various funds. [More](#)

☞ Walmart Asia has said that India contributed about \$125 million worth of exports for the retail stores of Walmart located across the world. The company plans to push it to \$1 billion in a few years. Garments constituted a major chunk of exports from India. [More](#)