



POLICY UPDATE

- Securities and Exchange Board of India (SEBI) has permitted short selling by institutional investors and a full-fledged Securities Lending and Borrowing (SLB) scheme will be put in place for all participants in the securities market. **More...** Mini derivative contracts on Index (Bombay Stock Exchange Index viz: Sensex and National Stock Exchange Index viz: Nifty) has been introduced pursuant to the recommendations of the Derivatives Market Review Committee. **More...**
- India's Department of Telecom (DOT) has invited proposals from all telecom operators and stand-alone tower companies to set up 11,000 mobile towers across the country. The project is estimated to cost around \$1 billion. The towers will be financed by the Government from the Universal Service Obligation Fund (USOF) which is used for funding telecom infrastructure in rural India. **More...**
- Insurance Regulatory Development Authority of India (IRDA) has decided to give full pricing freedom to general insurance companies to fix premiums with effect from January 1, 2008. However insurance companies shall not be permitted to cancel the existing insurances and replace them with new insurances at revised rates. **More...**

NEWS HIGHLIGHTS

- The World Bank has come out with new figures for Gross Domestic Product (GDP) of countries based on Purchasing Power Parity (PPP). India has been ranked fifth accounting for 4% of world's total GDP. USA remains the largest economy in the world followed by China, Japan and Germany. The data is based on price data of goods and services in 146 countries adjusted to reflect local cost and affordability and converted to dollars. The new estimates of PPPs benchmarked to the year 2005 replace previous benchmark estimates, many of them from 1993 and some dating back to the 1980s. **More...**
- Foreign Direct Investment (FDI) into India during April-September 2007 was \$9.9 billion as compared to \$7.3 billion in the corresponding period of 2006 registering an increase of 35.6%, Outward FDI was \$6.0 billion during April-September 2007 as compared to \$2.8 billion in corresponding period last year registering an increase of 114% according to Reserve Bank of India (RBI). **More...**
- India's foreign exchange earnings from tourism till November 2007 were \$9.16 billion according to the Ministry of Tourism. Foreign exchange earnings for 2005 and 2006 was \$7.49 billion and \$8.93 billion respectively. **More...**
- Indian companies sold shares worth \$11.47 billion in 2007 through public issues accord-

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ing to Prime Database, a primary market monitoring firm. The big issues in 2007 were that of ICICI Bank Limited, real estate firm DLF Ltd, Power Grid Corporation of India Ltd, Idea Cellular and Mundra Port & Special Economic Zone. [More...](#)

- Forbes, the US Business magazine has named Bangalore based Bandhan at the second position in the list of World's Top 50 Microfinance Institutions (MFIs). Seven MFIs from India including Bandhan, were included in the list which is the highest for any country. Each microfinance institution was ranked according to the following four parameters: scale, efficiency, portfolio risk and profitability. [More...](#)
- India's power and upstream energy sectors will require an investment of up to \$150 billion over the next five years according to a report by advisory firm KPMG and CII. [More...](#)

Corporate News

- India's public sector defence undertaking Hindustan Aeronautics Limited (HAL) has signed a \$1 billion contract with American aerospace company Boeing for 10 years. HAL will manufacture subsystems for Boeing's wide range of fighter planes and Apache Helicopters. Boeing will also support HAL in developing manufacturing processes and capabilities needed for production of hardware of Boeing and its sub-contractors. [More...](#)
- Reliance Communications (RCOM) has received approval from Federal Communications Commission (FCC) to complete the \$300 million merger with US based Yipes Holdings. Yipes Holdings provides managed ethernet and applications delivery services to its global clients. [More...](#)
- India's Telecom firm Videsh Sanchar Nigam Ltd (VSNL) plans to build a telecommunication cable connecting India with Europe for \$250 million in partnership with private equity venture SEACOM and Telecom Egypt. [More...](#)
- Securities and Exchange Board of India (SEBI) has approved the Initial Public Offer (IPO) of Reliance Power Limited. The IPO is estimated to raise about \$3 billion and is expected to be launched in early 2008. [More...](#)
- India's major oil refiner, Indian Oil Corporation (IOC) would spend \$3 billion for buying an overseas oil producer to meet rising demand in India according to a senior official of the company. The acquisition would be made jointly with Oil India. [More...](#)
- US based auto manufacturer Ford Motor Company plans to make India a major hub for supplying petrol and diesel engines to its operations in Asia-Pacific region as well as markets in Europe. [More...](#)
- Insurance Regulatory Development Authority of India (IRDA) has approved the proposal of an insurance joint venture led by Industrial Development Bank of India (IDBI) to enter into life insurance business. IDBI Fortis Life Insurance Company Limited is a joint venture life insurance company promoted by IDBI, Federal Bank and Netherlands Fortis Insurance International. [More...](#)
- Bharti Infratel, wholly owned subsidiary of Bharti Airtel, India's major mobile operator has received investments worth \$1 billion. Goldman Sachs and Singapore government's investment arm Temasek Holdings are major investors in the transaction. Bharti Infratel provides infrastructure services to wireless telecom operators in India. [More...](#)
- India's real estate firm DLF plans to raise \$5 billion over the next three years by listing five of its business units. The company's strategy is to make DLF a holding company with considerable equity stakes in the listed entities. [More...](#)