

**POLICY UPDATE**

- The Government of India notified rules for Foreign Currency Exchangeable Bonds. This will enable Indian companies listed on stock exchanges to unlock value in group companies by issuing exchangeable bonds in the overseas market. India's Finance Minister had announced in last year's Budget that an enabling mechanism would be put in place for such bonds. **More . . .**
- The Government of India announced that it would double the content of ethanol to be mixed with petrol to 10% to reduce dependence on oil imports. **More . . .**
- The Government of India has dereserved 79 items reserved for the small scale sector from a list of 114 items. Dereservation has been done in a gradual, calibrated manner to increase competitiveness of the industry, facilitate adequate flow of credit and upgrade technology. **More . . .**

NEWS HIGHLIGHTS

- India's Gross Domestic Product (GDP) growth rate during 2007-08 is estimated at 8.7% with per capita income growing at the rate of 7.5% according to advance estimates by Central Statistical Organization (CSO). **More . . .**
- Net investments by Foreign Institutional Investors (FIIs) amounted to \$17.2 billion in the calendar year 2007 up from \$7.8 billion during the previous year, recording an increase of 120.51%. The cumulative FII Investments in India as of 31st December 2007 are \$66.33 billion. **More . . .**
- India Infrastructure Finance Company Limited will be allowed to borrow \$250 million from the Reserve Bank of India as part of government's plan to invest \$5 billion of foreign exchange reserves for infrastructure development. **More . . .**
- India's National Securities Depository Limited (NSDL) and Brussels based depository Euroclear have signed Memorandum of Understanding (MoU) to build co-operation between the two central securities depositories and promote cross border investment. Euroclear is the world's largest provider of domestic and cross border settlement and related services for bond, equity, derivative and fund transactions. **More . . .**
- India's port sector recorded 12.5% growth in throughput during the first nine months of fiscal year 2007-08. The 12 major ports handled a combined throughput of 378.7 million tones during this period. **More . . .**

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- The revenues of India's Information Technology and Business Process Outsourcing industry is expected to touch \$64 billion in 2007-08 registering a growth of 33% according to a study by Nasscom. [**More . . .**](#)

Corporate News

- Tata Communications Ltd plans to invest \$2 billion over the next three years to fund its global expansion plans with focus on Internet-based services. [**More . . .**](#)
- Air India expects to increase its earnings from the India-US sector and plans to add new direct services such as non-stop flights between Bangalore and San Francisco. [**More . . .**](#)
- Tata group along with Gammon Infrastructure Projects proposes to set up a Special Economic Zone in Jamshedpur for an auto ancillary unit. [**More . . .**](#)
- Moser Baer India is investing about \$1.5 billion in solar energy by increasing its thin-film photovoltaic capacity to 600 mega watt over the next two years from the existing project capacity of 40 MW. [**More . . .**](#)
- Tata Power have reached financial closure for the 1050 MW Maithon thermal power project tying up with State Bank of India for securing debt of almost \$778 million to develop the project. [**More . . .**](#)
- Tata Industries Limited and Boeing Company have formed a joint venture for supply of more than \$500 million worth of defence related aerospace parts. This is the second deal involving the two companies in the recent past. Boeing and Tata's signed another agreement for making structural components for Boeing's 787 Dreamliner airplane programme. [**More . . .**](#)
- Firstsource solutions entered into \$80 million five year agreement with Barclays for credit card business where Firstsource will provide customer care and collection support to Barclays' US cardholders. [**More . . .**](#)
- Millenium Spire, India's real estate investment fund would invest \$1 billion in real estate sector with increased allocations in South India. [**More . . .**](#)
- 70 Indian companies tapped the NASDAQ Portal Market which was created in August 2007 to allow quick fund raising by companies. The companies include Reliance Industries which raised \$3 billion followed by DLF, UTI Bank, Idea Cellular, IDFC and Mundra Ports. [**More . . .**](#)
- India's National Thermal Power Corporation (NTPC) plans to invest \$40 billion over next five years to achieve its power generation target of 50,000 MW by 2012. It has plans to spread its operations across Asia and Africa. [**More . . .**](#)
- India's leading GSM based operators added 6.2 million new subscribers in January 2008 according to data from Cellular Operator's Association of India (COAI). Spice, India's mobile phone manufacturer introduced a \$20 new cell phone model priced to meet demand for cheap phones in emerging markets in Asia. [**More . . .**](#)
- NYSE Euronext has acquired 5% stake in Multi Commodity Exchange (MCX), India's leading commodity exchange. [**More . . .**](#)

Visits

- India's Commerce and Industry Minister Mr. Kamal Nath is scheduled to visit USA for attending the Trade Policy Forum meetings at Chicago from 19th-20th February, 2008.