



POLICY UPDATE

- Telecom Regulatory Authority of India (TRAI) decided to eliminate the Access Deficit Charge (ADC) on domestic calls from April 2008. International calls to India will also become cheaper as ADC on international calls will be phased out after September 2008. Currently all telecom companies pay 0.75% of total revenues towards ADC, which is used to support operations in rural India. **More . . .**
- The Government of India in its draft Third Generation (3G) Spectrum Policy has decided that existing operators as well as new players and foreign telecom companies be permitted to bid for third generation frequencies during the auction. It has said that all players can bid for up to 10 MHz of 3G spectrum. The draft policy has said that mergers and acquisitions would not be allowed if the number of operators in a service area were to fall to four or below. The draft policy calls for strict measures via roll out obligations to ensure that operators do not hoard 3G spectrum. **More . . .**
- Securities and Exchange Board of India (SEBI) decided that bonus units issued to mutual fund investors will no longer attract entry and exit charge. The units allotted to investors on reinvestment of dividend will also be exempt from entry and exit charges. **More . . .**
- The Government of India plans to allow repurchase agreements in corporate bonds to enhance market liquidity. According to India's Finance Minister Mr. P. Chidambaram, it will give investors with illiquid bonds an opportunity to borrow against these securities. **More . . .**

NEWS HIGHLIGHTS

- According to TRAI, 8.53 million subscribers were added in the wireless segment in February 2008. The total wireless subscribers stood at 250.93 million at the end of February 2008. India will soon surpass USA in terms of number of wireless subscribers during the first half of April 2008 to become the second largest wireless network in the world after China. The overall tele-density was 25.31% at the end of February 2008. **More . . .**
- India to grow to almost 90% of the US economy by 2050 according to a report from Pricewaterhouse Coopers. As per the report, India rather than China tops the growth league table due to greater scope for productivity and education levels to rise across the Indian population. **More . . .**
- India's Wholesale Price Index (WPI) based inflation touched 6.68% for the week ended 15th March 2008. The major contributor was rise in prices of manufactured goods followed by primary articles and fuel. **More . . .**
- California Public Employees' Retirement System (CalPERS), USA's largest pension fund raised its exposure in Indian listed firms to over 150 companies in 2007, from 50 companies in 2006 according to data from its latest annual report. **More . . .**
- India's Central Public Sector Undertakings in infrastructure sectors like energy, power and telecom have lined up investment proposals worth \$36.95 billion for 2008-09. **More . . .**

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- SEBI has allowed investors, retail as well as institutional players like FIIs and mutual funds to short sell shares in the spot market from April 21, 2008. However investors will be mandatorily required to honour their obligation of delivering the securities at the time of settlement. **More . . .**
- India continues to be the top receiver of remittances from abroad in 2007 followed by China and Mexico according to World Bank's Migration and Remittances Fact book 2008. India received remittances worth \$27 billion in 2007 as compared to \$25.43 billion in 2006. **More . . .**
- India's corporate majors in retail sector such as Reliance Retail, Aditya Birla Group and DLF plan to invest \$32.19 billion for expanding network of stores according to industry body, Assocham. **More . . .**
- The Government of India approved a \$3 billion currency swap agreement with Japan. The agreement allows a country with short term liquidity problems to borrow foreign exchange reserves to absorb heavy selling pressure on its currency. **More . . .**

Corporate News

- India's Tata motors entered into agreement with Ford Motor Company for purchase of Jaguar Land rover for \$2.3 billion. This comprises brands, plants and intellectual property rights. The transfer of ownership to Tata Motors is expected to close by the end of the next quarter. The deal to acquire premium auto brands Jaguar and Land Rover would be funded through a mix of existing cash reserves and debt. **More . . .**
- India's Tata Chemicals raised an \$850 million debt to finance acquisition of US based General Chemicals Industrial Products for \$1 billion. The acquisition helped it to become the world's second-largest soda ash player with a 14% global market share. **More . . .**
- India's software developer Tata Consultancy Services (TCS) opened a 1000-seat delivery centre in the US state of Ohio. It can accommodate up to 1,000 TCS associates, who will be locally hired from the region and its universities. The facility will serve as the primary software development and delivery center for North American customers. **More . . .**
- Cairn India, the Indian arm of British oil and gas company Cairn Energy sold 5.37% stake to Malaysian state oil and gas firm Petronas and Singapore-based Orient Global Tamarind Fund for \$625 million. **More . . .**
- India's leading pharmaceutical company Dr. Reddy's Labs announced the acquisition of UK business of Dowpharma Small Molecules, a unit of the \$54 billion Dow Chemical Company for an undisclosed sum. **More . . .**
- Intersil Corporation, a NASDAQ-listed designer and manufacturer of analog semiconductors announced the setting up of its design centre in Hyderabad, its second in India after Bangalore. **More . . .**
- Signet Solar, US based photovoltaic module maker will set up \$500 million manufacturing plant at Chennai, India. This will be the company's largest global facility with a capacity to produce 300MW of solar panels. **More . . .**
- Global equipment majors from Italy, Korea, Japan, Russia and China are in the race for supply contract of main power equipment to Reliance Power's Sasan Ultra Mega Power Project (UMPP). **More . . .**
- Twentieth Century Fox Film Corporation plans to enter the Indian film industry in a joint venture with Star India. **More . . .**

Visits

- India's External Affairs Minister, Mr. Pranab Mukherjee visited Washington, DC from March 24-25, 2008. During his visit, he called on the US President, Mr. George Bush and met the US Secretary of State, Ms. Condoleezza Rice.



India's External Affairs Minister Pranab Mukherjee meeting United States President Bush in the Oval Office of the White House on March 24, 2008.