



Policy Developments

☞ Reserve Bank of India (RBI) has come out with the Annual Policy Statement for the year 2009-10 on April 21, 2009. It has projected real GDP growth for India for fiscal 2009-10 at around 6.0 per cent and inflation at around 4.0 per cent by end-March 2010. It has stated that the stance of monetary policy in 2009-10 will be to ensure a policy regime that will enable credit expansion at viable rates while preserving credit quality so as to support the return of the economy to a high growth path, continuously monitor the global and domestic conditions and respond swiftly and effectively through policy adjustments as warranted so as to minimise the impact of adverse developments, reinforce the impact of positive developments and maintain a monetary and interest rate regime supportive of price stability and financial stability taking into account the emerging lessons of the global financial crisis. RBI has decided to reduce the repo rate under the Liquidity Adjustment Facility (LAF) by 25 basis points from 5.0 per cent to 4.75 per cent and reduce the reverse repo rate under the LAF by 25 basis points from 3.50 per cent to 3.25 per cent with immediate effect. The cash reserve ratio (CRR) of scheduled banks has been retained unchanged at 5.0 per cent of net demand and time liabilities and the bank rate is retained unchanged at 6.0 per cent. [More](#)

☞ Securities and Exchange Board of India (SEBI) has amended certain clauses in the equity listing agreement in order to enhance disclosures regarding the shareholding pattern and also to bring more transparency and efficiency in the governance of a listed company. It has also decided to mandate that listed companies shall declare their dividend on per share basis only. This is expected to bring uniformity in the manner of declaring dividend amongst the listed companies. [More](#)

☞ In its Annual Policy Statement of 2009-10, RBI has reviewed the current policy on Foreign Currency Convertible Bonds (FCCBs) and has decided to increase the total amount of permissible buyback of FCCBs, out of internal accruals, from \$50 million of the

redemption value per company to \$100 million with prior approval. [More](#)

☞ RBI has decided to extend the relaxation in all-in-cost ceilings for External Commercial Borrowings (ECBs), under the approval route, until December 31, 2009 considering the continuing pressure on credit spreads in the international markets. [More](#)

Economic News

☞ India's cumulative value of exports for the fiscal 2008-09 was US\$ 168.70 billion (Rs.766,935 crore) as against US\$ 163.13 billion (Rs.655,863 crore) registering a growth of 3.4 per cent in dollar terms. The value of imports for the same period was US\$ 287.76 billion (Rs.130,5503 crore) as against US\$ 251.65 billion (Rs.101,2312 crore) registering a growth of 14.3 per cent in dollar terms. [More](#)

☞ India's annual year-on-year rate of inflation, which had hovered below 0.5 per cent for 6 weeks since March 2009, increased by 31 basis points to 0.57 per cent in the week ended April 18, 2009 from 0.26 per cent in the previous week. [More](#)

☞ India and China are expected to lead the recovery of the emerging Asian economies, according to a research paper released by Barclays Capital, the investment banking arm of Barclays. As per the study, the recovery in Asia is expected to arrive slightly earlier than the rest of the world, reflecting relatively stronger balance sheets and the significant fiscal and monetary stimulus. [More](#)

☞ The Indian equity market has emerged as the third biggest after China and Hong Kong in the emerging Asian region. The Indian equity market's capitalization at the end of March 2009 stood at US\$ 598.3 billion, which accounts for about one-tenth of the combined valuation of the entire emerging Asia region. [More](#)

☞ The quarterly Investor Dashboard Sentiment survey by global financial services group ING shows an

increase of 75% in investor sentiment in India in the first three months of 2009 as compared to the fourth quarter last year. The India investor index has jumped 75% to 133 in Q1 this year from 76 in fourth quarter of 2008. The survey indicated that Indian investors were confident about the economy, backed by assurances from the business community and the government. [More](#)

🌀 Mergers and acquisitions involving Indian firms in first four months of 2009 have touched \$7.4 billion, a 5% decline from the corresponding period a year ago according to Dealogic, a global deal tracking firm. [More](#)

🌀 The total wireless subscriber base in India stood at 391.76 million at the end of March 2009. A total of 15.64 million wireless subscribers have been added during the month of March 2009 as against 13.82 million wireless subscribers added during the month of February 2009. The overall tele-density has reached 36.98 at the end of March 2009 as against 35.65 in February 2009. [More](#)

Corporate News

🌀 Tata Teleservices plans to invest \$2 billion to roll out mobile services using its GSM technology. The company also launched a location-based service, called Quickfinder, which will enable customers and enterprises to track vehicles, locations of interest and consignments from origin to destination in real time, in partnership with Qualcomm, the US-based wireless telecom research and development company. [More](#)

🌀 Europacific Growth Fund (EGF), managed by the Capital Group has purchased 16.13 million shares, or a 1.02 per cent stake, of Reliance Industries Limited (RIL) for \$401 million from the open market in the quarter ended March, 2009. [More](#)

🌀 Johnson & Johnson (J&J) is planning to turn India into a global hub for late-phase development of its new drugs by entering into partnerships with Indian pharma and biotech firms as well as academic institutions for discovery and co-development of new drugs. [More](#)

🌀 Powergrid Corporation of India Limited (PGCIL), India's leading power transmission company, is

planning to raise up to Rs 9,000 crore (\$1.81 billion) to fund its national grid projects. In addition to its fund-raising exercise in the domestic market, the company will also raise an additional \$1 billion from multilateral organizations such as the Asian Development Bank and the World Bank. [More](#)

🌀 The Indian Infrastructure Finance Company (IIFCL) plans to provide US\$1.2 billion for infrastructure projects during 2009-10, which is nearly double the amount of US\$ 640.8 million disbursed by it during 2008-09. [More](#)

🌀 ITC group, with operations in tobacco and hotels, has said that it would go ahead with its \$2 billion investment plan for its hospitality division for doubling its capacity by 50% in the coming 4 to 5 years. [More](#)

🌀 Yum Brands, the operator of Pizza Hut and KFC plans to introduce its Mexican-style fast-food restaurant chain 'Taco Bell' in the Indian market later this year, besides continuing to make investments to grow its business in the country. [More](#)

🌀 Reliance Industries has announced the signing of gas sales agreements with nine power firms for supply of 11 million metric standard cubic meters per day of gas at the government approved well-head price of \$4.2 per million metric British thermal unit (mmbtu). [More](#)