



## Policy Developments

The Prime Minister of India, Dr. Manmohan Singh launched the Jawaharlal Nehru National Solar Mission on 11<sup>th</sup> January, 2010 with the objective of achieving an installed capacity of 20000 MW by the end of the 13<sup>th</sup> five year plan in 2022. The three major initiatives which have been planned under the National Solar Mission include creation of volumes which will allow large scale domestic manufacture, announcing a long term policy to purchase power; and supporting research and development to reduce material consumption, improve efficiency and develop new materials/ storage methods. The implementation of the Mission will proceed on the basis of the technology advancements and cost reduction, which will be necessary for rapid scale-up and to achieve the target of 20000 megawatts. [More](#)

The Government of India has approved the National Policy on Bio-fuels, and setting up of a National Biofuel Coordination Committee and a Biofuel Steering Committee to provide policy guidance and coordination. The Policy endeavors to facilitate and bring about optimal development and utilization of indigenous biomass feedstocks for production of bio-fuels. The salient features of the National Policy are production of bio-diesels from non-edible oil seeds in waste/degraded/ marginal lands, proposed indicative target of 20% blending of bio fuels both for bio-diesel and ethanol, major thrust to research, development and demonstration with focus on plantations, processing and production of bio-fuels, including second generation Bio-fuels and possible financial incentives for such bio-fuels. The Ministry of New & Renewable Energy has been designated as the co-coordinating Ministry for biofuel development and utilization while specific roles have been assigned to other concerned Ministries. [More](#)

The Government of India has announced a series of new incentives for exporters in India. These incentives include the addition of 1837 new products under Market Linked Focus Product Scheme which will be eligible for benefits @ 2% of FOB value of exports to specified markets. [More](#)

The Government of India has decided to implement Mobile Number Portability (MNP) in whole of the country in one go, by 31st March 2010. MNP shall allow subscribers to retain their existing telephone number when they switch from one access service provider to another irrespective of mobile technology or from one technology to another of the same or any other access service provider within same service area. [More](#)

The Securities and Exchange Board of India (SEBI) has said that all credit rating agencies (CRAs) have to get an internal audit done on a half yearly basis. The internal audit shall cover all aspects of CRA operations and procedures, including the investor grievance redressal mechanism. The report shall comment on the adequacy of systems adopted by the CRA for compliance with the regulations issued by SEBI and for investor grievance redressal. [More](#)

SEBI has decided to modify the Securities Lending and Borrowing (SLB) framework. The SLB is used by short-sellers who borrow stocks from other investors to meet their obligations to the clearing house. Under the new framework, the tenure of SLB contracts will be up to a maximum period of 12 months as compared to the current limit of one month. The new norms also provide the lender/ borrower with a facility for early recall/ repayment of shares. [More](#)

## Economic News

According to Quick Estimates of India's Index of Industrial Production (IIP) for the month of November 2009 released by Central Statistical Organisation, industrial production grew at 11.7% as compared to the level in the month of November, 2008. The cumulative growth for the period April-November 2009 stands at 7.6% over the corresponding period of the previous year. Mining, Manufacturing and Electricity sectors grew at 10.0%, 12.7% and 3.3% respectively in November 2009 as compared to November 2008. The cumulative growth during April-November 2009 over the corresponding period of 2008 in the three sectors have been 8.3%, 7.7% and 6.1% respectively. [More](#)

☞ Health insurance has emerged as one of the fastest growing segments in the non-life insurance industry with 30 per cent growth in 2008-09. The health insurance premium collections touched Rs 6,625 crore (\$1.45 billion) in 2008-09 compared with Rs 5,125 crore (\$1.12 billion) in the previous year, according to the annual report for 2008-09 of the Insurance Regulatory and Development Authority. [More](#)

☞ India and Japan have decided to jointly develop one city in India as “Solar City”. The Solar City project aims to reduce a minimum of 10% of its projected demand of conventional energy at the end of five years through energy efficiency measures and generation from renewable energy installations. Government of India has, so far, given in-principle approval to 34 cities in the country to be developed as Solar Cities. [More](#)

☞ The Government of India has approved road projects worth US\$ 1.36 billion in five states to upgrade nearly 562 km of four-lane highways to six lanes. The approved projects include six-laning of 435 km in Rajasthan, Maharashtra and Gujarat at an estimated US\$ 943 million, part of the Golden Quadrilateral (GQ) scheme, and four/six laning of 123 km stretch on Maharashtra-Goa and Goa-Karnataka border at an estimated US\$ 412.5 million. [More](#)

☞ India ranks second with 117 points in consumer confidence in the fourth quarter of 2009, according to the Nielsen Global Consumer Confidence survey. The survey results indicate that the recovery from the global economic downturn is faster in India as compared with other countries in the world. The survey also revealed that Indians are most optimistic about job prospects in 2010. 83 percent of the Indian consumers expect things to improve in 2010. India is followed by Indonesia at 70 percent. [More](#)

☞ India's total external debt stock at US\$ 242.8 billion as at end-September 2009 recorded an increase of US\$ 18.2 billion or 8.1 per cent over end-March 2009 estimates. The ratio of short-term external debt to foreign exchange reserves, which had increased from 14.8 per cent at end-March 2008 to 17.2 per cent at

end-March 2009, was also lower at 15.1 per cent at end-September 2009. [More](#)

☞ India has emerged as the fourth largest steel producer in the world and is expected to become the 2nd largest producer of crude steel in the world by 2015. India has also maintained its lead position as the world's largest producer of direct reduced iron or sponge iron. Sponge iron production for sale was 20.8 million tonnes in 2008-09 which was higher by 2.1% over 2007-08. The country is likely to achieve a crude steel production capacity of 124 million tonnes by the year 2012. [More](#)

☞ India's outward FDI during April-September, 2009 stood at \$5.8 billion, a decline of 16.4% over the investment of \$6.9 billion during the corresponding period of the previous year. [More](#)

☞ India's wireless subscriber base has touched 506.04 million in November, 2009. 17.65 million new subscribers were added in November, 2009. The overall tele density in India stands at 46.32 at the end of November, 2009. [More](#)

☞ The Government of India has approved four projects worth over US\$ 897.7 million to be developed through the public-private partnership (PPP) mode in a move to boost capacity at the major ports in the country. The projects include development of a mega container terminal at Chennai port with an estimated cost of US\$ 684.25 million, a container terminal at New Mangalore Port for US\$ 60.4 million, a multi-purpose berth at Paradip port for US\$ 84.87 million and a berth for handling bulk cargo at Tuticorin port for US\$ 72.79 million. The projects are expected to add a capacity of 62 million tonnes per annum to the major ports. [More](#)

## Corporate News

☞ According to a recent study of the major global generic drug manufacturers by the Boston Consulting Group, drug maker Lupin has given the highest Total Shareholder Return (TSR) in the past three years. The analysis shows that Lupin gave an annualized average TSR of 29.9 per cent, ahead of the 18.4 per cent of

Israel-based Teva Pharmaceutical, the world's largest generics maker. The study further revealed that of the nine generic companies that gave good benefits to their shareholders, seven are Indian companies. [More](#)

🌀 The Auto Expo 2010 in New Delhi, organized by Confederation of Indian Industry, Society of Indian Automobile Manufacturers and Automotive Component Manufacturers Association of India, witnessed ten global auto launches by automobile companies. The major global products included Honda's concept car, Toyota's small car and launch of the compact car, Chevrolet Beat. [More](#)

🌀 Domestic passenger vehicle sales in India for December 2009 grew 49 per cent to 119,930 units. Passenger vehicle sales have seen a double-digit growth rate since July 2009. [More](#)

🌀 Inox India, has acquired US-based Cryogenic Vessel Alternatives (CVA), the world's leading cryogenic transportation equipment maker for an undisclosed amount. CVA has comprehensive manufacturing and repair facilities for cryogenic transportation equipment at Texas, USA, with presence across Canada, China and Turkey. [More](#)

🌀 IBM has tied up with Indian Institutes of Technology (IITs) in Delhi and Roorkee to jointly promote research in areas of common interest, like green technologies, energy-efficient computing and data mining. The joint research is part of IBM's Shared University Research initiative where the company awards equipment to universities to promote research in areas of mutual interest besides connecting the research and researchers at the university with personnel who are interested in the research from the IBM research, development and solutions provider communities. [More](#)

🌀 India's TCG Lifesciences has entered into an exclusive collaboration with US-based pharmaceutical company, Pfizer to develop a portfolio of pre-clinical molecules for discovery of new drugs. As part of the deal, Pfizer will own the compounds and TCG Lifesciences will receive research funding and milestone payments linked to the successful

progression of molecules in the development cycle. [More](#)

🌀 Panasonic plans to set up its first manufacturing unit in India. The total initial investment that Panasonic plans to make in its India operations for the next three years is about \$300 million (around Rs 1,450 crore), which will include expenditure on setting up its first manufacturing unit and also a research and development centre. [More](#)

🌀 The world's leading automotive component manufacturer, Bosch, plans to invest Rs 2,000 crore (\$437 million) in India over the next three years. Bosch is also ready with components of the Tata Nano's diesel engine. The company has introduced a 'common rail' diesel fuel injection system for medium and heavy commercial vehicles in India. [More](#)