

RBI unveils additional package

The Reserve Bank of India (RBI) on February 5 announced a more measures to help the banking and corporate sectors tide over the effects of the domestic slow down and global economic crisis. The measures, some of which are extension of its earlier steps, include extending the timeline for forex swap facility, restructuring of non-performing assets and broadbasing the information-sharing among banks under multiple banking arrangement and raising interest rates for export credit.

In view of the continuing uncertain credit conditions globally, the availability of forex swap facility, currently till June 30, 2009, has now been extended till March 31, 2010.

On restructuring of assets, RBI has said on August 27, 2008, it had issued comprehensive guidelines for restructuring of advances by banks.

Subsequently, in view of global developments, certain facilities were granted up to June 30, 2009, including eligibility of second restructuring and first restructuring of commercial real estate exposures for special regulatory treatment. Further, banks were allowed to apply special regulatory treatment for accounts which were standard on September 1 last year and taken up for restructuring up to January 31, 2009—even if these had turned non-per-



forming during this period. “However, with banks representing that due to increased workload they have not been able to adhere to the January 31, 2009 time schedule, it has, therefore, been decided to extend the time schedule for taking up restructuring to March 31, 2009,” the central bank said.

All these are one-time measures and would be available for restructuring packages implemented till June 30, 2009. Further, it is clarified that this treatment will be available to all accounts which were standard on September 1, 2008 and were eligible under restructuring in terms of the Reserve Bank circulars dated August 27, December 8, 2008 and January 2, 2009, said India’s apex bank.

On the information sharing among banks, under multiple banking arrangement, RBI has said in the light of irregularities and frauds that have taken place under multiple banking arrangements,

concerns have arisen about non-availability of full exposure details of borrowing entities to the lending bankers

Accordingly, an elaborate system of exchange of information amongst lending banks has been put into place.

The information sharing framework includes, among others, position in derivatives and unhedged forex exposure of borrowers. The framework was put into public domain on September 19, 2008.

“The framework was further discussed with the IBA, which has assured that banks will make full use of the information-sharing framework mentioned above as also the credit information available with the Credit Information Bureau (of India) Ltd. (CIBIL) so as to provide sound credit culture,” said RBI.

Also, RBI, in consultation with the Centre has raised the ceiling rate on export credit in foreign currency to Libor plus 350 basis points (BPs) from Libor plus 100 bps with immediate effect subject to the condition that the banks don’t levy any other charges — service charge, management charge — except for recovery towards out-of-pocket expenses incurred. Similar changes may be effected in interest rates in cases where Euro Libor/Euribor has been used as the benchmark.

Indian space engineers work with Leicester University

India’s first national astronomy satellite — Astrosat — is to have key components assembled by the University of Leicester.

A team of engineers from the Tata Institute of Fundamental Research (TIFR) Mumbai, recently visited the University of Leicester’s Space Research Centre to progress work on the satellite which is due for launch later this year.

The delegation included Sangam Sinha, chief engineer, Department of Astronomy and Astrophysics and Harshit Shah, Astrosat Mechanical Engineer, Department of Astronomy and Astrophysics.

Guy Peters, Astrosat SXT Project Manager UK, said: “In several months, when the camera has been assembled and the Leicester built detector assembly and control electronics installed, it will be tested to space qualified standards and shipped back to India for integration into the spacecraft.”

The camera was designed by the University of Leicester and the manufacture of the hardware components was undertaken by TIFR.

In addition to the manufacture of the camera hardware, the TIFR has built the main telescope body and mirror.

“The conduct of our foreign policy has enhanced India’s stature in the world”

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India is a nation of young people. India’s demographic dividends can be realised only if the country invests in developing skills to make our youth employable. Through a planned investment in skill development the country holds the potential to account for a fourth of the global work force by 2022 when India will mark 75 years of its Independence. My government has made skill development a major national priority and has put in place coordinated action for skill development through a National Council for Skill Development.

Our scientists have demonstrated time and again that they have the capacity to be the best in the world. The successful placing into the lunar orbit of the Chandrayan-1 spacecraft in November 2008 is a tribute to our talent pool in science and technology and heralded India’s entry into a select group of countries that have successfully undertaken lunar missions. India has also successfully accomplished eighteen missions which included eight launch vehicle missions and eight satellites launched by the PSLV and GSLV.

My Government has, for the first time, announced an Integrated Energy Policy which lays down a roadmap to meet the demand for energy in all sec-

tors of the economy in an efficient, economically viable and environmentally sustainable manner using different fuels and forms of energy.

My Government has taken measures to face the challenges posed by climate change. India firmly believes in upholding the position articulated in the United Nations Framework Convention on Climate Change that the principle of common but differentiated responsibilities must determine responses of individual countries.

A National Action Plan for Climate Change has been developed by my government under which action will be taken forward through eight National Missions. These Missions will collectively move the country on a path of sustainable development.

The world looks up to India for its cultural resources. The large number of cultural institutions in the country requires financial support as well as professional leadership. My government has decided to alter the procedure of recruitment to ensure that professionals from the fields of art and culture get chosen to head the cultural institutions. India successfully moved a resolution, which was unanimously adopted by the United Nations General Assembly, to observe 2nd October as the ‘International Day of Non-Violence’.

My government’s policies have ensured that even as India faces an economic slowdown along with the rest of the world, our fundamentals are much better. India’s domestic demand can inject fresh momentum to our economy. India’s banks are well capitalised and face no threat that many banks face in other parts of the world. My government has taken a series of measures to stimulate our economy at this juncture. These have been expeditiously announced after discussion with stakeholders to address the problem of slow down in industrial growth, exports and the services sector.

These measures will drive the demand for goods and services reviving production activities in the manufacturing as well as services sectors. Even in the prevailing adverse global economic environment, our economy, it is hoped, would still register a relatively high growth rate.

The terrorist attack in Mumbai as well as the terrorist incidents in other places and before that on our Embassy in Kabul, were an assault on all the values that our country stands for. The attack in Mumbai was deliberately planned to retard our economic progress. My government is heartened by the international support it has received after these attacks. There is greater appreciation in

the international community of the threat that exists to the region.

India has the second-largest Diaspora in the world. The overseas Indian community estimated at over 25 million is spread across every major region in the globe. My government has taken a series of measures to improve the welfare of overseas Indians. In recognition of the importance attached to the role of overseas Indians, a Prime Minister’s Global Advisory Council of persons of Indian origin has been set up to catalyse ideas for national development.

My government has accorded highest priority to fostering close political, economic, social and cultural relations with all countries, on the basis of sovereign equality and mutual respect, to help promote a friendly and peaceful external environment, to safeguard our national security and ensure rapid socio-economic development for our people.

The conduct of our foreign policy has enhanced India’s stature in the world. My government’s foreign policy has been imbued with the values that our nation rests upon — of independence of thought and action, ensuring a democratic, just and equitable world order and the rule of law. India’s views on the major international issues of our times are not just heard, but are now being actively sought.