



POLICY UPDATE

- The Reserve Bank of India (Amendment) Bill, 2006 has been enacted. The Act empowers RBI to (i) lay down policy directions to any agency dealing in various kinds of contracts in respect of Government securities, money-market instruments and derivatives and inspect such agencies, (ii) deal in derivatives and to lend or borrow securities, and (iii) remove the lower and upper ceiling of Cash Reserve Ratio (CRR). The Act also provides flexibility to RBI to specify the CRR. **More...**
- The Securities and Exchange Board of India has approved the guidelines for Real Estate Mutual Fund Scheme for mutual funds to invest directly or indirectly in real estate property in India. The units of REMFs shall be compulsorily listed on the stock exchanges and Net Asset Value of the scheme shall be declared daily. SEBI also decided to lift the lock-in period for venture capital funds which had remained invested for over a year. **More...**
- The Scheme for issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) of 1993 has been further liberalized to allow unlisted Indian companies to sponsor an issue of ADRs/GDRs with an overseas depository against shares held by its shareholders, subject to certain conditions. **More...**
- Indian government has approved the National Agricultural Innovation Project having four components: (i) Changing of the Indian National Agricultural Research System; (ii) Research on production to consumption systems; (iii) Research on sustainable rural livelihood security; and (iv) Basic and Strategic research in the frontier areas of agricultural sciences. This six years project would start from July 1, 2006 with a total cost of US \$250 million to be funded by the Government of India with loan from World Bank. **More...**
- India has received unprecedented response to third round of bidding for Coal Bed Methane. 54 bids have been received for 10 blocks on offer. The foreign companies which have bid are - Arrow Energy - Australia, CDX Gas - USA, MOLOPO - Australia, OMIMEX - USA, EIG - USA, BP - UK, GeoPetrol - France, Coal Gas - USA. The blocks are expected to be awarded by 31st August, 2006. **More...**
- National Institute of Science Communication and Information Resources (NISCAIR), CSIR, Department of Scientific & Industrial research would sign a non-disclosure agreement with International Patent Offices, for making Traditional Knowledge Digital Library (TKDL) accessible to patent examiners on secured portal. **More...**

NEWS HIGHLIGHTS

- India's overall Balance of Payments declined from \$26.1 billion in 2004-05 to \$15 billion in 2005-06. Trade deficit amounted to \$51.6 billion. The Current account deficit slipped from a surplus of \$5.4 billion in 2004-05 to a deficit of \$10.6 billion. Increase in invisible surplus to \$40.9 billion in 2005-06 from \$31.2 bln in 2004-05, has helped containing the current account deficit. The outstanding foreign exchange reserves stood at US \$151.6 billion at the end of March 2006, placing India as the fifth largest holder of reserves among the emerging markets and sixth largest in the world. **More...**
- India has finalised deals with international bidders to import 2.2 million tonnes of wheat with the objective of containing wheat prices.
- Indian Prime Minister on June 24 laid the foundation of Bangalore Metro project involving an estimated investment of \$1.3 billion **More...**

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- Sizeable reserves of good quality gas hydrates have been found in Krishna-Godavari basin in India. [More...](#)
- Indian Exports up 29.6% at US\$ 9.4 billion in May 2006. Indian imports during May 2006 increased by 21.6% to \$13.2 billion. [More...](#)
- The PCs market in India grew 32 per cent to cross 5 million mark for the first time during the year ending March 2006. [More...](#)
- Punjab Agricultural University has signed agreements of cooperation with University of California, to enhance academic interchange and to further the development of basic scientific and technological research and faculty-student exchange programs. [More...](#)

Corporate News

- Reliance signed India's biggest deal for setting up of a Special Economic Zone (SEZ) with the Government of Haryana. The \$8.7 billion project comprises a cargo airport and a 2,000-MW gas-based power plant spread over 25,000 acres in the Gurgaon and Jhajjar districts of the state. [More...](#)
- Microsoft have partnered with Indian state of Gujarat for e-Gram, an e-governance project. [More...](#)
- Intel have signed an MOU with Maharashtra State Federation of Co-operative Credit Societies Limited to jointly deploy 10,000 Community PCs across 80,000 co-operative societies in India. [More...](#)
- IBM signed an MOU with Indian Institute of Technology Mumbai to develop technologies and capabilities through collaborative research in areas like autonomic computing, grid computing, deep computing, databases, web services, network management and security. [More...](#)
- EMC Corp., the world's largest maker of data storage equipment would double its investment in India to US \$500 million by 2010. [More...](#)
- Reliance Communications has entered into a tie up with Walt Disney to offer 3D animation content on Reliance Mobile World. [More...](#)
- Indian Institute of Management-Ahmedabad (IIM-A), and the Duke Corporate Education, have formalized their collaboration to develop and deliver customized corporate executive education and training programs in India and West Asia. [More...](#)



Mr. Kamal Nath addressing the U.S.- India Business Council (USIBC) on June 22 at Washington DC

Visits and Events

- Commerce and Industry Minister of India



Dr. Anbumani Ramadoss and Mr. Michael O Leavitt signing Joint Statements in Washington, DC on June 29, 2006.

Mr. Kamal Nath visited US on June 22-23, 2006 to attend the Third Ministerial level meeting of the India-US Trade Policy Forum. During the visit he also addressed the 31st Anniversary Leadership Summit of US India Business Council at Washington DC and formally launched the India Business Forum at New York. [More...](#)

- Dr. Anbumani Ramadoss Minister of Health and Family Welfare of India visited US on June 25-30, 2006. During his visit India and the US have signed three agreements on renewal of Cooperation in the fields of Maternal and Child Health and Human Development Research, Environmental and Occupational Health, and Prevention of Sexually Transmitted Diseases and HIV/AIDS. [More...](#)
- Chief Minister of Rajasthan State of India is on a visit to Washington DC, New York and Seattle during June 28-July 8, 2006.