



## POLICY UPDATE

- India has launched a National Agricultural Innovation Project – a 6-year agricultural research programme at a total budget of \$250 million to be funded by government of India with credit from the World Bank. The project would focus on innovations in agricultural technology through (i) Research on Production to Consumption Systems; (ii) Research on Sustainable Rural Livelihood Security; and (iii) Basic and Strategic Research in Frontier Areas of Agricultural Sciences, to facilitate an accelerated and sustainable transformation of the Indian agriculture. **More...**
- Reserve Bank of India has increased the Repo and Reverse Repo rates, the rates at which RBI borrows from and lends to banks, by another 25 basis points to 7% and 6% respectively. This is the third time increase. The rates were increased by 25 basis points each in January, 2006 and subsequently in June, 2006. **More...**
- Reserve Bank of India has allowed banks in India to issue capital instruments in foreign currency. Earlier in January, 2006 banks were allowed to issue these instruments in Indian Rupees and were required to obtain prior approval of the Reserve Bank of India, on a case-by-case basis, for issue in foreign currency. **More...**
- India is proposing to launch Petroleum, Chemicals and Petrochemicals Investment Regions along the coastal belt. Five state governments, viz., Gujarat, Andhra Pradesh, Orissa, West Bengal, Karnataka and Maharashtra are offering sites for developing the designated regions. A Task Force was constituted to evolve a framework for setting up such regions. In a meeting on July 11, 2006, the Task Force has approved a draft policy. The draft would further need to be approved by the Cabinet.
- The Committee on Fuller Capital Account Convertibility under the Chairmanship of S.S. Tarapore submitted its report to the Reserve Bank of India on July 31, 2006. This Committee was appointed in March, 2006 to suggest a roadmap towards Fuller Capital Account Convertibility based on current realities. **More...**

## NEWS HIGHLIGHTS

- ONGC Videsh Limited signed an MOU with PetroEcuador, the State Oil Company of Ecuador for cooperation in developing and promoting petroleum, gas, electricity, petrochemical, external hydrocarbon commercialization, geological and petroleum research. **More...**
- Indian Council of Agricultural Research (ICAR) has successfully developed indigenous vaccine against the bird flu disease. **More...**
- The Institute of Microbial Technology (IMTECH), a constituent laboratory of Council of Scientific

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& Industrial Research, has signed a Technology Licensing Agreement with Nostrum Pharmaceutical Inc. of US on July 27, 2006 at New Delhi. The agreement would enable Nostrum Pharmaceuticals Inc. to obtain worldwide licensing rights from IMTECH to carry out clinical development and commercialization of a novel clot busting therapeutic protein. [More...](#)

### Corporate News

- Flyington Freighters, an Indian air cargo company, has placed orders for purchase of four Boeing 777-200 freighter aircraft at a price of about US \$1 billion. [More...](#)
- Morgan Stanley Real Estate would invest 1 billion in the next 4-5 years in India said Zain Fancy, Executive Director of Morgan Stanley Real Estate in Asia Pacific. [More...](#)
- Honeywell International would supply air safety equipment to Air Deccan of India. [More...](#)
- Indian BPO giant WNS has been listed on New York Stock Exchange since July 26, 2006 following a successful initial public offering of its American Depository Shares, in which the company raised over \$224 million. [More...](#)
- Electronic Data Systems Corp. would increase stake in Mphasis to 61.8%. Earlier in March, 2006, the company had acquired majority stake (51.4 percent) in Mphasis BFL Ltd. for \$380 million in cash. [More...](#)

### Visits and Events

- The fourth Sub-Cabinet level meeting of the India-US Financial and Economic Forum is scheduled to take place on August 23-24, 2006 at Washington DC. The meeting will be co-chaired by Secretary Economic Affairs, Mr. Ashok Jha on Indian side and Under Secretary of International Affairs at the US Department of Treasury-Mr. Timothy Adams on US side. Secretary Ashok Jha will also address India-US Investment Seminar and Business Expo 2006 being organised by FICCI at Los Angeles on August 21-22, 2006.
- Infraline Energy Research and Information Services in association with Directorate General of Hydrocarbons, KPMG and J. Sagar & Associates, is organizing a one day Conference-cum-Workshop on August 10, 2006 at New Delhi to help the potential bidders to participate in NELP-VI. 55 blocks are on offer under the sixth round of India's New Exploration Licensing Policy. [More...](#)
- The Industrial Relations Center at the California Institute of Technology has started a two-day course called "Doing Business with India" to provide insights and perspectives of doing business in India. The next course will be held on November 28-29, 2006. [More...](#)



*Indian Prime Minister, Dr. Manmohan Singh met US President, Mr. George. W. Bush at Konstantinovsky Palace, on the sidelines of G-8 summit in St. Petersburg on July 17, 2006. [More...](#)*