



POLICY UPDATE

- Reserve Bank of India has appointed a Committee under the Chairmanship of S.S Tarapore to examine the steps required to be taken for moving to fuller Capital Account Convertibility. As of now, Indian Rupee is fully convertible on current account. The Committee would (i) review the experience of various measures of capital account liberalisation in India, (ii) examine implications of fuller capital account convertibility on monetary and exchange rate management, financial markets and financial system, (iii) study the implications of dollarisation in India of domestic assets and liabilities and internationalisation of the Indian rupee, (iv) provide a comprehensive medium-term operational framework, with sequencing and timing, (v) survey regulatory framework in countries which have advanced towards fuller capital account convertibility, and (vi) suggest appropriate policy measures and prudential safe-guards to ensure monetary and financial stability. The Committee would submit its report by July 31, 2006. *More...*
- India and the US have signed a Framework Protocol on cooperation on the FutureGen Project in New Delhi on April 3, 2006. FutureGen Project is a \$950 million public-private initiative to design, build and operate the first coal-fired emission-free power plant of 275 MW in an estimated project period of ten years. India has committed to participate and invest US \$10 million over a period of 5 years. *More...*
- India's premier science and technology organizations have signed a 5-year agreement with the ten campus of the University of California System to carry out ground breaking research in globally challenging and impactful areas. The initiative aims at strengthening joint research and educational collaborations. *More...*

NEWS HIGHLIGHTS

- The BSE sensx crossed 11,000 marks on March 21, 2006, and now crossed 11,500 marks on April 4, 2006. At 11,000, the BSE market capitalisation touched an all-time high of \$661 billion approx. BSE now ranks 16th among world markets in terms of market capitalisation. *More...*
- Stocks of construction, capital goods and sugar companies have significantly outperformed their counterparts in other sectors. Investor wealth in the 50 listed construction companies recorded the highest growth of 246%, in 28 listed sugar companies by 207%, and in 132 capital goods companies by 180% as on March 31, 2006. *More...*
- Private equity is sizzling in India. Private equity investments in India are estimated to have crossed the \$1 bln. mark in the first two-and-a-half months of 2006 against \$2.2 bln. and \$1.1 bln. for the entire years 2005 and 2004 respectively. *More...*
- India has recorded 343 mergers and acquisition (M&A) deals, totalling \$18.2 billion in 2005, of which \$16.2 billion was through acquisitions and \$2 billion via private equity investments. There were 192 cross-border transactions at around \$10 billion, with the telecom industry leading the pack with 14 M&A deals valued at \$5.4 billion. The highest deals were Vodafone's \$1,500 million in Bharti Tele-Ventures, Maxis' acquisition of Aircel for \$1,080 million and Essar Group's takeover of a controlling stake in BPL Communications for \$1,155 million. *More...*

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NEWS HIGHLIGHTS

- As per a study by Asian Productivity Organisation, Japan, Labour Productivity in India has recorded a rising trend in the last few years. [More...](#)
- The American Chamber of Commerce has opened its 5th office in Kolkata after Bangalore, Hyderabad, Mumbai and Chennai. [More...](#)

Corporate News

- Cairn Energy of UK will invest \$760 million in two years for oil exploration and production activities in India. The company has allotted \$560 million for its Rajasthan operations. [More...](#)
- India's leading drug-maker Ranbaxy has acquired 96.7 per cent stake in Terapia, the largest independent generic company in Romania, for \$324 million. The deal will give Ranbaxy two manufacturing units, bioequivalence centres, 60 products and access to Terapia's coverage of nearly 4,000 pharmacies and 450 hospitals in Romania. [More...](#)
- Bechtel is exploring bidding avenues for the construction contract of the proposed five ultra mega power projects with a generation capacity of 4,000 MW each based on pithead and imported coal in Maharashtra, Gujarat, Karnataka, Chhattisgarh and Madhya Pradesh. [More...](#)
- Goldman Sachs would invest \$1 billion in private equity, real estate, private wealth management, and other businesses in India for its institutional clients in the next couple of years. [More...](#)
- Steel Authority of India has invited bids for import of Hard Coking Coal and Low Ash Coal for injection in Blast Furnaces for Iron making. [More...](#)

Visits and Events

- US Senator Christopher Bond visited India on March 22-23, 2006. He had meetings with the Prime Minister and the Commerce and Industry Minister of India.
- Foreign Secretary of India, Shyam Saran, visited Washington DC on March 28-31 to continue bilateral discussions with his US counterpart.
- Indian Petroleum Minister Murli Deora held a road show at Houston on March 30, 2006 for the auction of 55 oil and gas exploration blocks. 72 international companies attended the Road Show including all the major oil companies from US, viz., ExxonMobil, Chevron Texaco, Conoco Phillip, Shell etc.. Mr. Deora also visited Washington D.C. on April 1-5, 2006, where he met with the Energy Secretary Bodman, delivered a keynote address at the AGM of US Energy Association and had a meeting at the US India Business Council. [More...](#)
- Minister for Science and Technology, Kapil Sibal, is on a visit to US on April 4-11, 2006. He will launch the India-US Biotech Working Group in New York on April 5, and will address BIO-2006 at Chicago on April 9, 2006.
- Deputy Chairman, Planning Commission, Montek Singh Ahluwalia, will visit Washington DC on April 19-21, 2006. He will deliver an address at American Enterprise Institute and will have meetings at the World Bank and USIBC. He will also visit New York on April 24, 2006.
- Minister for Power, Sushil Kumar Shinde, will visit Washington DC on April 24-27, 2006. He will visit New York on April 24, Chicago on April 27-28 and Los Angeles on May 1, 2006. He will meet representatives of US Industry for encouraging investment in Indian Power and Energy sector.



*The US Senator Hon. Christopher Bond calling on the Prime Minister Dr. Manmohan Singh, in New Delhi on March 22, 2006. **Photo Credit: PIB***