



POLICY UPDATE

- Indian cabinet has approved raising of the FDI cap from 49% to 74% in telecommunication sector in India. The details of FDI policy on telecommunication as was already announced in 2005 is available at <http://www.dot.gov.in/ip/fdi2005.pdf>
- Reserve Bank of India has increased Repo Rate – the rate at which it lends to banks for overnight loans – from 7.5% to 7.75% on March 30, 2007 with a view to control inflation. Earlier, the Repo Rate was increased from 7.25% to 7.5% on January 31, 2007. RBI has also announced increase in Cash Reserve Ratio (CRR) in two stages to 6.25% effective April 14, 2007 and to 6.50% effective April 28, 2007. With this, CRR has been increased by 1.5% in 6 stages of 0.25% each since December 23, 2006. CRR is the percentage of a bank's total deposits that every bank in India must maintain as its minimum cash reserves. [More...](#)
- Government of India has given in-principle clearance to four sites for setting up Nuclear Power Stations in future. The sites are (i) Kakrapar, Gujarat (2x700 MWe Pressurised Heavy Water Reactors) (ii) Kudankulam, Tamil Nadu (2 x 1000 MWe Light water reactors), (iii) Jaitapur, Maharashtra (2 x 1000 MWe Light Water Reactors) and (iv) Rawatbhata, Rajasthan (2 x 700 MWe Pressurised Heavy Water Reactors). At present, India has fourteen operational nuclear power reactors and nine reactors are under construction. [More...](#)

NEWS HIGHLIGHTS

- India's balance of payments (BoP) data for April-December 2006 has been released. Current account deficit at US \$11.8 billion in April-December 2006 remained broadly at the same level in the corresponding period last year. Trade deficit has increased from \$40 billion in April-December 2005 to \$52.3 billion in April-December 2006, whereas net invisibles receipts have increased from \$28.1 billion in April-December 2005 to \$40.5 billion in April-December 2006. Net capital flows surged to US \$27.3 billion from US \$13.4 billion in April-December 2005. [More...](#)
- Indian PC market is expected to grow at 20% in 2007, double the growth rate of the world PC market, said Gartner, a research and consultancy firm headquartered in US. [More...](#)
- Dun & Bradstreet (D&B), a leading provider of global business information has launched its inaugural edition on "India's Top IT Companies 2007" containing profiles of 182 companies including their total income, services offered, verticals serviced, location and employee size etc. [More...](#)

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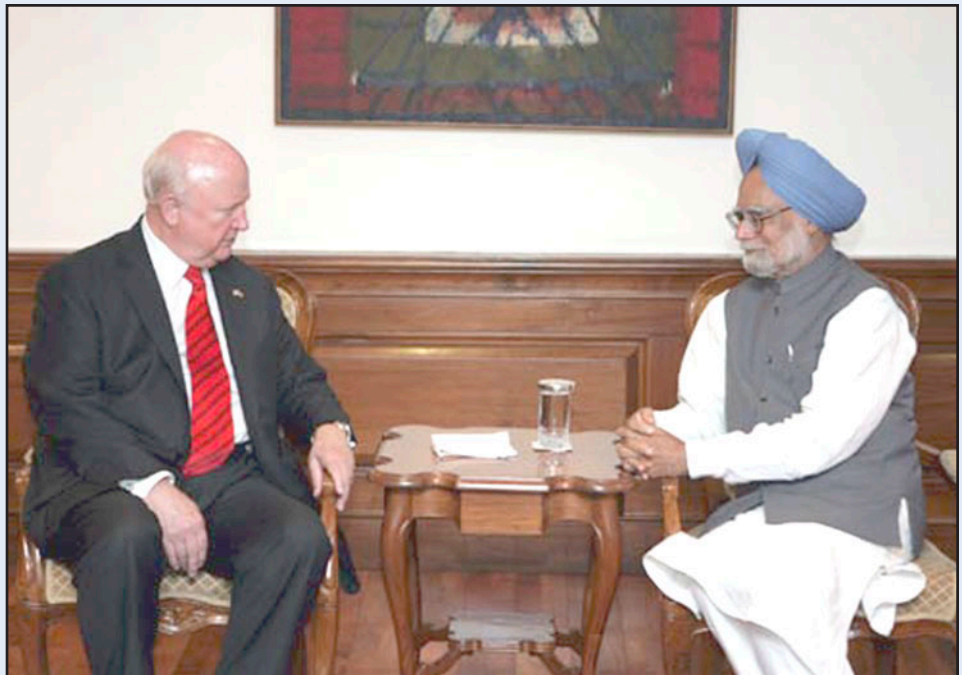
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Corporate News

- Merrill Lynch is planning to invest \$1 billion to expand its operations over the next two years in India. [More...](#)
- IBM has secured a 10-year contract to manage information technology (IT) infrastructure of Idea Cellular of India. The 10 year pact, depending upon Idea's business revenues and circle expansion, would size around US \$600 million to US \$800 million. [More...](#)
DLF, a real estate development company of India, has also awarded a 10-year contract to IBM to transform and manage its IT infrastructure. [More...](#)
- Hindustan Semiconductor Manufacturing Corporation (HSMC), a Silicon Valley-based semiconductor company, has announced its plans to invest over \$4 billion in chip foundries in India, with Germany-based Infineon as its technology partner. [More...](#)
- BMW has inaugurated its first assembly line cum production unit in Chennai. The company has recently launched its 3-series sedans in India and is planning to introduce the 5-series models. [More...](#)
- Reliance Industries and Rohm and Haas Company of US have entered into a MoU to explore the joint construction of a world-scale acrylic-monomer complex in Jamnagar, India. [More...](#)
- GlaxoSmithKline (GSK) of UK and Tata Consultancy Services (TCS) have entered into a contract for setting up a global drug development center in Mumbai. [More...](#)
- American International Group (AIG) signed an agreement to acquire 100% of the outstanding equity of Weizmann Homes, a housing finance company based in Bangalore. [More...](#)

Visits and events

- US Energy Secretary Mr. Samuel Bodman visited India on March 20-22, 2007. He called on Indian Prime Minister Dr. Manmohan Singh, and had meetings with the Power Minister Mr. Sushil Kumar Shinde, Petroleum & Natural Gas Minister Mr. Murli Deora, and Dr. Anil Kakodkar, Chairman, Atomic Energy Commission of India.
- Indian Minister for Health & Family Welfare, Mr. Anbumani Ramadoss visited Washington DC, Boston, and New York on March 25-31, 2007. [More...](#)
- Power Minister of India Mr. Sushil Kumar Shinde is scheduled to visit New York, Boston and Houston, on April 10-16, 2007 to hold road shows to promote investments in Ultra Mega Power Projects in India.
- A delegation consisting of representatives of various US universities visited India on March 24-30, 2007 to promote partnership in higher education with India. [More...](#)



US Energy Secretary, Mr. Samuel W. Bodman meeting Indian Prime Minister, Dr. Manmohan Singh, in New Delhi on March 20, 2007.