

Newsletter, 5-VI-2009

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A: ENTREPRENEURSHIP; DEVELOPMENT; GENERAL ITEMS

1. Meira Kumar to be first Dalit woman Speaker

A Dalit woman as Lok Sabha Speaker! Indian democracy will cross yet another milestone with the Congress leadership deciding to nominate Meira Kumar for the post. The surprise decision, which would mark the breaching of a glass ceiling besides boosting the empowerment message, came after Congress chief Sonia Gandhi pitched for Kumar to preside over the 15th Lok Sabha. She argued that the choice would facilitate the difficult task of enacting the women's quota in the legislature besides making a statement on the party's commitment to social empowerment.

2. Economic reforms the next stimulus: Pranab

"We are committed to restoring growth and employment and that would not have been possible without increased spending funded by incremental borrowing. This would need to be continued in 2009-10," he said. The borrowing calendar released by the government shows that the central government is scheduled to borrow Rs 362,000 crore (\$73 bn) in 2009-10 to meet the fiscal deficit gap of 5.5 per cent of Gross Domestic Product.

3. India Inc bets on 9% growth

An upbeat industry, riding on impressive growth achieved in the January-March 2009 period, feels the economy can grow at much faster pace and possibly as high as 9% depending on the success of the Manmohan Singh government's 100-day action plan. A cross section of industry TOI spoke to was of the opinion that the 100-day agenda set by the government, if pursued in right earnest, could sustain a high GDP growth rate of 9%-10%.

4. FIs invest Rs 20,000 cr, Sensex shoots up 28%

After the election results the FIs have injected Rs 10,846 crore in 10 days of trading during which Sensex rose 20 per cent. This confidence has helped drive up the market by 28.3 per cent in the month—the highest single-month gain by the Sensex since March, 1992 when it rose 55 per cent.

5. Indian economy better placed than China's, says Roach

Stephen S Roach, chairman of Morgan Stanley Asia, expressed his optimism on the prospects for the Indian economy over that of China, saying that India has made a lot of improvement in recent years on the macro developments, especially with an increase in foreign direct investments, higher savings and improvement in infrastructure in the share of India in GDP.

"These improvements reinforce the long-standing accomplishments of India on the micro front—large collection of world-class competitive companies, well educated IT competent workforce, extraordinary entrepreneurs and innovators, well developed capital market, solid financial institutions, rule of law

and democracy,” said Roach in a press conference, adding that what has been missing in this interplay between the micro and now the improved macro has been the political impetus to reforms, something it has hobbled your government in the last five years.

“India is a more balanced economy than the rest of export-led Asia,” Roach told reporters in Mumbai on Wednesday. In fact, for the first time, Roach is now more optimistic about prospects for India than China. “China faces major challenges for the first time in 30 years,” Roach said. “It pushed its export-led model too far, leaving it too dependent on the external climate.”

6. India, Asean resolve differences over FTA

The last remaining differences between India and the Association of South East Asian Nations (Asean) on the ambitious Free Trade Agreement (FTA) on merchandise goods have been ironed out and the deal is ready for signing. Government officials said the Asean FTA, as well as a similar pact with South Korea involving free trade of goods, services and investment, could be signed on the sidelines of the summit of Asean nations, scheduled in October this year.

7. India is now a player in M&A premier league

India will enter the global pecking order of the largest M&A's done so far this year with the proposed Bharti Airtel-MTN deal. It will be the third largest deal so far in 2009 and if pharma is excluded, it will be the largest deal so far globally.

8. Ten Indian firms in Financial Times' global 500 list

Mukesh Ambani-led Reliance Industries and telecom major Bharti Airtel are amongst the ten Indian companies. The other Indian majors listed in the top 500 are Oil & Natural Gas Corporation (at 120) with a market capitalisation of US\$ 32.87 billion, National Thermal Power Corporation (138) with US\$ 29.29 billion, Bharti Airtel (188) with US\$ 23.41 billion, Infosys Technologies (330) with US\$ 14.95 billion, Bharat Heavy Electricals Ltd (345) with US\$ 14.51 billion, ITC (362) with US\$ 13.75 billion, State Bank of India (372) with US\$ 13.35 billion, Tata Consultancy Services (483) with US\$ 10.42 billion and Hindustan Unilever (495) with US\$ 10.23 billion.

B: IT; ITES; R&D; TELCOS; TOURISM & HEALTH T.; SERVICES

9. Indian firms Bharti, Infy, TCS, Wipro amongst top tech list

Indian firms including telecom major, Bharti Airtel and technology firms Infosys, TCS and Wipro are amongst the list of 100 best performing technology companies in the world generated by American magazine, BusinessWeek. The 'Infotech 100' list for 2009—based on shareholder return, return on equity, total revenues, and revenue growth—ranks telecom giant Bharti Airtel at the sixth position. The three IT majors—Infosys, TCS and Wipro—feature in the top 50, with Infosys placed at 25, TCS at the 30th spot and Wipro at the 43rd position.

10. Govt to use mobile telephony to collect data of beneficiaries under NREGS

The Panchayat and Rural Development Ministry Department, West Bengal, in association with Pixel Informatics, plans to use mobile telephony to collect data of beneficiaries under the National Rural Employment Guarantee scheme. As a part of the pilot project, the Government has handed over 1,100 mobile handsets to members of Gram Panchayats and Panchayat Samity in a number of districts for collecting all available data on the rural beneficiaries, according to a press statement issued by Pixel.

11. India will get next 400 million mobile users five times faster

It took 15 years for India to get 400 million mobile users, but under three years it will add the next 400 million. According to the revised estimates by the Cellular Operators Association of India, the mobile subscriber base is expected to zoom to 893 million by 2012. That is 150 million more subscribers than

what was projected earlier. The COAI's earlier estimates had put the mobile user base at 743 million by 2012.

12. US-based LPO co to set up new unit in India; hire 1,450 people

"Like in the case of BPOs, there is a good level of expertise and costs advantage in India, which offers a good proposition to us...We are looking at setting up our third centre in India and also increase the headcount," CPA Global Country Head (India) Bhaskar Bhagchi said. The third centre will be set up over the next three quarters and the shortlisted cities are Pune, Bangalore and Hyderabad, he added.

13. Global auto-makers tap Indian talent for overseas design centres

Global auto-makers are picking up talent from their Indian research and development centres for deputation to their headquarters. Be it Paris or Tokyo, the headquarters of companies such as Renault, Nissan, Honda and Suzuki are using the skills of their Indian staff to work on some of their global models. Maruti Suzuki is increasing the number of its engineers who will be sent to Suzuki Motor Corporation's headquarters in Japan. This year, the company plans to send 80 engineers to Japan. Last year, the number stood between 25 and 30.

14. Big Cinemas to launch multiplex in Chicago

Big Cinemas, a part of the Anil Ambani-led Reliance Anil Dhirubhai Ambani Group (R-ADAG), will launch its first multiplex in Chicago on Friday. The multiplex, Big Cinemas-Golf Glen, is located in Niles, Chicago. It will have five screens and a premium lounge. The facility will be digitally connected to Adlabs India, enabling the films to be transferred on fibre optic cable within four to six hours instead of using physical films, a statement issued by the company said.

15. Marriott to add 24 new hotels by 2012

Marriott will launch six properties this year. Of these, the Courtyard Marriott in Pune will be the first to open. Subsequently, four more Courtyard-branded properties would come up in Ahmedabad, Gurgaon, Hyderabad and Mumbai. The sixth would be operated under the Marriott brand. In all, the company intends to have 14 hotels operating under the Courtyard brand. The hospitality major currently has six properties in Mumbai, Goa, Hyderabad and Chennai and operates through five different brands, including Marriott, JW Marriott, Courtyard, Renaissance and Marriott Executive Apartments.

16. We intend to close MTN deal this time: Bharti

The Bharti group on Saturday expressed confidence that it will seal the proposed \$23-billion deal with South African telecom giant MTN, after restarting negotiations that had collapsed last year. The two groups are discussing options under which Bharti will acquire 49% stake in MTN and the South African company, along with its shareholders, will buy 36% equity in the Indian company, the two firms had announced on May 25.

17. Wipro Infotech forays into data centre, cloud computing space

The cloud computing services will offer IT infrastructure and specific business applications as a service. These services will cover the entire IT infrastructure, including compute, storage and backup, network and disaster recovery, in addition to applications that address specific business needs of customers. Wipro Infotech's new initiative which complements the existing IT service offerings provides end-to-end data centre lifecycle management services to enterprise customers. The first data centre at Mysore is completely sold out while the commissioning of the data centre in Greater Noida is currently underway and is likely to be launched soon. The third data centre at Pune.

18. Cloud computing hotting up in India

Indian enterprises are soaring to the cloud as the cloud computing business here is expected to skim the skies in a few years. Software as a service (a part of cloud computing) market in India which was about \$70 million in 2008 and cloud computing is expected to hit the \$1 billion mark soon. Cloud computing refers to shared computing resources, storing data on a virtual platform rather than on an individual hard drive.

19. Sun to invest Rs 332 cr on R&D of low-cost copies

Sun Pharmaceuticals, India's biggest drug company by market capitalisation, will spend Rs 332 crore in research & development of low-cost versions of original drugs to be sold in the domestic and global markets, a top company executive said.

C: AGROBUSINESS; RETAILING

20. Bharti, Wal-Mart open first joint store in India

India's Bharti group and Wal-Mart, the world's largest retailer, opened their first cash-and-carry joint venture store here on Saturday on an investment of \$7 million, and they plan to open at least 15 outlets across the country in the next three years. The stores will be run under the brand name of Best Price Modern Wholesale. "This is a beginning and we will come up with 15 more stores in three years and employ more than 5,000 people," said Bharti Enterprises vice chairman and managing director. "We have tied up with 30,000 retailers and 8,000 suppliers and expect more to join us," Mittal said.

D: INDUSTRY

21. Bosch says no plans to scale down investments in India

Mr Bohr said though Bosch suffered a setback in its sales globally due to the economic meltdown, India continued to be a growth market. "Bosch India is an important constituent of the worldwide Bosch family. We have made substantial investments for various expansion projects and new production innovations. The ECU unit is another significant step in that direction," he said.

22. GM looking at Rs 2L mini car for India

Nick Reilly, GM Group V-P, told TOI that the company was looking at developing a car from India that would be positioned below the 'Spark' mini car. "I would say we are studying that... and (we) do think there is an opportunity for something below the current mini car offering Spark," Reilly said in a conference call from Shanghai. However, it would "not be a Tata Nano equivalent", he added. While there is no independent confirmation, it is believed that the company is targeting a price tag below Rs 2 lakh for this car and apart from India, it could well be positioned in similar foreign markets like Latin America, Eastern Europe, Africa and even possibly China.

23. Tata to set up Rs 1,000 crore (\$220 million) helicopter unit in Hyderabad SEZ

Tata Advanced System Limited (TAS), a unit of the Tata group, will set up a helicopter manufacturing unit at the Aerospace Special Economic Zone (SEZ) in Adhibatla village near the Hyderabad international airport. The Rs 1,000-crore project will be commissioned by June next year and will come up at a 50-acre facility in the SEZ on land leased by the state government-owned Andhra Pradesh Industrial Infrastructure Corporation (APIIC).

E: BASICS; INFRASTRUCTURES; EMPLOYMENT; FDI

24. Tuticorin Port to invest Rs 700cr for coal handling facilities



The Tuticorin Port will develop coal handling facilities for state-run Neyveli Lignite Corporation (NLC) and Coastal Energy Company with a combined investment of around Rs 700 crore. Tuticorin Port Trust chairman GJ Rao said the NLC facility would come up at the North Cargo berth and have a capacity of 5 million tonnes a year. The port has already floated a tender for developing the facility. The proposed investment in the facility would be around Rs 350 crore, which will be made by the corporation.

25. Urban uplift to get Rs 25,000 cr (\$5,000 million) World Bank aid

“We have convinced World Bank to include not just urban infrastructure but also urban transport. We are now going to receive is \$5 billion which is around Rs 25,000 crore,” said M Ramachandran, secretary, urban development ministry.

26. Rs 70,000-crore (\$14,000 million) infra projects get financial closure in three months

Despite the economic slowdown and cash crunch in the global markets, nine infrastructure projects worth over Rs 70,000 crore have achieved financial closure in the last three months. Domestic banks and financial institutions have funded over Rs 40,000 crore as the debt component for these projects. The latest to join the list of projects that have achieved financial closure are two power projects — 1,050 Mw GMR Kamalanga Energy of GMR Energy coming up at Dhenkanal in Orissa and the second phase 300 Mw Rosa power project in Uttar Pradesh promoted by Reliance Power. Experts said financial closure for another Rs 100,000 crore worth of projects are likely to be achieved in this calendar year, mainly from the power and infrastructure sector.

27. Road & rail projects on fast track

The development of 40,000 km of roads at a cost of Rs 60,000 crore (\$12 000 million) is on the government's priority list, that also includes rapidly increasing India's capacity to produce railways rolling stock. The Railways has a target of investing Rs 230,000 crore (\$46 000 million) during the 11th Five Year Plan. It expects to complete gauge conversion on 4,900 km of rail tracks and double 1,800 kms of rail lines during this period. Another 1,100 km new rail lines will be laid down simultaneously.

28. RIL strikes two more gas reserves in KG basin

After D6 in Krishna Godavari basin, Reliance Industries has struck big in two nearby blocks with estimates putting in place natural gas reserves at 20 trillion cubic feet. D-3 and D-9 blocks in the same KG basin may hold 9.5 Tcf and 10.8 Tcf of gas reserves respectively, UK-based Hary Oil and Gas Plc said in a statement.

29. Tatas to invest Rs 20,000 cr (\$4000 million) in core sector projects

Tata Realty and Infrastructure (TRIL), a closely-held unit of Tata Sons, plans to invest Rs 20,000 crore to build special economic zones, roads, ports and other core sector projects in the next three years to take advantage of a stable political environment and revival in the economy, a top company official said.

Tata Housing Development Company, another unit of Tata Sons, recently launched a low-cost housing project in Mumbai and has plans for similar projects in other parts of the country. “There is a fundamental change in the country, and housing and infrastructure are clear focus areas now. With a full mandate, government can back these projects to turn around the economy,” said R K Krishna Kumar, chairman of TRIL and THDC and director of Tata Sons.

30. Cairn's Rajasthan oil to flow from next week

Cairn, a subsidiary of Edinburgh-based Cairn Energy, plans to start production from the first train of 30,000 barrels of oil per day and will introduce a second train of 50,000 barrels per day by the fourth quarter of 2009. “We are ready for production and it's just a matter of time. We are consulting all the

stakeholders including government officials for a suitable date," Rahul Dhir, Cairn India's managing director and CEO, told ET.

31. Orissa single window authority clears projects worth Rs 2,807 cr

These include three iron ore beneficiation and pelletisation plant, one capacity expansion proposal of a cement plant and a ferro-chrome plant proposal of Visa Bao Ltd, a joint venture of Visa Steel and Bao Steel of China.

32. Core sectors' best show in 10 months

Power, crude oil, refinery products, coal, cement and finished steel grew 4.3% year-on-year, recovering from the low of 1.1% in December 2008, according to a release by the ministry of commerce and industry on Tuesday. The April figures have raised hopes of a brighter industrial output, as these six industries have a combined weightage of 26.7% in the Index of Industrial Production (IIP).

33. Gujarat Govt, IL&FS sign pact with Cisco

Gujarat International Finance Tec-City Company Ltd (GIFTCL) and Infrastructure Leasing and Financial Services Ltd (IL&FS) on Wednesday signed a memorandum of understanding (MoU) with Cisco for the proposed Gujarat International Finance Tec-City (GIFT) project. Under the MoU, Cisco will collaborate with GIFTCL in achieving GIFT's vision of becoming a world-class financial services centre, with infrastructure and facilities benchmarked to global standards. Recognising the potential of the State as a centre for the financial services industry, the Gujarat Government had formulated GIFT as a mega-project to realise this vision.

