



**MARKET MOVEMENT**

Major Indices	July 17, 2009	July 24, 2009	% Change	Change
BSE Sensex	14,744.92	15,378.96	4.30	
NSE Nifty	4,374.95	4,568.55	4.43	

**INDIAN ECONOMY AT A GLANCE****POLICY WATCH**

- **Green nod for effluent plant at Fab City SEZ**
- **Panel nod for 15 highway projects**
- **India, US sign pacts on civilian satellites, defence equipment**
- **FII's invested over US\$ 6 billion during January-July 2009**
- **MHRD issues guidelines for deemed universities**

**Green nod for effluent plant at Fab City SEZ**

THE Andhra Pradesh Environment Impact Assessment Authority has issued environmental clearance for the proposed Common Effluent Treatment Plant (CETP) planned at the Fab City Special Economic Zone (SEZ) at Maheswaram near Hyderabad. The Fab City SPV (India), a subsidiary of Andhra Pradesh Industrial Infrastructure Corporation (APIIC) and IL&FS, has established a CETP on build-own-operate basis through IL&FS Waste Management and Urban Services Ltd. The initial capacity of the CETP at the Fab City would be 1.1 million litres a day which would be scaled up to meet the future demand. The first module would facilitate the photovoltaic cells manufacturing units being established in the initial phase.

**Panel nod for 15 highway projects**

THE Public-Private Partnership Appraisal Committee (PPPAC) has approved 15 highway projects worth Rs 155.61 billion. The National Highways Authority of India (NHAI) can move ahead and work towards inviting financial bids in case the qualifying bid (request for qualification) stage has already been completed. PPPAC has granted approval to 15 projects of the Ministry of Road Transport and Highways.

**India, US sign pacts on civilian satellites, defence equipment**

INDIA and the US signed a slew of agreements to give a further boost to the bilateral engagement between them. Three agreements were concluded including the creation of a science and technology endowment fund and a technical safeguard agreement for the launch of civilian satellites incorporating US components. Besides an end-use monitoring pact for the procurement of American defence equipment was also concluded. It was also decided to establish strategic dialogues in five areas of cooperation including agriculture, science and technology, trade, energy and finance.

### **FII's invested over US\$ 6 billion during January-July 2009**

**FOREIGN Institutional Investors (FIIs)** have invested over US\$ 6 billion during January-July 2009 with over US\$ 1 billion coming in July 2009 alone. During January-July 2009, FIIs were the gross buyer of shares worth US\$ 61.68 billion while they sold equities valued at US\$ 55.49 billion, resulting in a net inflow of US\$ 6.18 billion. In July itself, FIIs made a net investment of US\$ 1.16 billion in the domestic equity markets, showing their confidence in the Indian markets.

### **MHRD issues guidelines for deemed universities**

**THE Ministry of Human Resource Development (MHRD)** has issued guidelines to all deemed universities regarding the regulation of their fees, faculty performance and compulsory accreditation. It was decided that for deemed universities, regulation of fees is to be done by the already constituted state-level fee committees. The ministry has also insisted on compulsory accreditation of institutions for University Grants Commission (UGC) grants. The Government has granted deemed university status to 128 institutions by June this year, including 62 in the last five years.

## **INDUSTRY WATCH**

- **Investments in health infra to get a booster dose**
- **Infrastructure sector grows 6.5% in June**
- **Consulting business looking up**
- **Auto sector sees racier H2**

### **Investments in health infra to get a booster dose**

**THE spend on healthcare infrastructure in the country is projected to grow at 5.8% annually to reach US\$ 14.2 billion by 2013, a near 50% increase over the 2006 level.** This forecast on the expenditure includes spends both by the Government and the private sector on construction and maintenance of buildings that would house medical research, drug production or primary health care services. Going by the 2006 data, the six large states Maharashtra, Rajasthan, West Bengal, Uttar Pradesh, Tamil Nadu and Andhra Pradesh account for over 50% of the total expenditure on health infrastructure while 12 states combined end up spending less than 4.5% of the sum.

### **Infrastructure sector grows 6.5% in June**

**THE official index of six core infrastructure industries registered a healthy 6.5% year-on-year growth in June.** That it comes on top of a 5.12% annual growth rate during the same month of last year only lends further credence to the green shoots theory. For the April-June period, the growth in the core index (which accounts for 26.68% of the Index of Industrial Production) works out to 4.76%, which is higher than the 3.49% for the corresponding Q1 of 2008-09. The best performers among the six core industries have been coal, cement and electricity.

### **Consulting business looking up**

**CONSULTING business looking up,** the consulting engagements which typically start-off with advisory are small in size but large in terms of impact because of the downstream revenue that comes with it. The nature of consulting deals has also seen a major change in the past few quarters, reflecting changes in the customer's behaviour as they look to spend on building applications, to stay competitive rather than worry about costs. In the October quarter, 80% of the pipeline was in the areas of cost reduction. In March it changed to 40% build and 60% optimise. Now in June quarter, 70% of the pipeline is build and 30% optimise.

**Auto sector sees racier H2**

**AUTO sector sees racier H2**, the H1 of 2009 registered a 6% growth over last year, the automotive sector is poised for a better H2, this confidence stems from the fact that interest rates have come down from the highs of 2008, the market sentiment is better now, the industry has come up with significant number of new models and, lastly, the festive season, known for good sales, that is ahead. India has emerged the largest small-car market and is making inroads into the European market, aided by the Continent's policy to encourage replacement of old cars. Hyundai and Maruti have been stepping up volumes in Europe each passing month. This trend is likely to continue as more buyers are opting for smaller cars in Europe.

**CORPORATE HIGHLIGHTS**

- **RCom signs Rs 100 billion deal with Etisalat to share facilities**
- **Ideacts joins hands with Google**
- **IBM in deal with Sun TV**
- **Hong Kong Company acquires 26% in Future Logistics**
- **Essar Oil ties up with Weizmann Forex**
- **German broadcaster ties up with Kerala**
- **HCL Tech in US\$ 7.7 million pact with South African company for SAP solutions**
- **Honda Motorcycle, Muthoot Capital Services tie up**
- **Jute manufacturers' body ties up with retailer**
- **Novatium, NIIT tie up**

**RCom signs Rs 100 billion deal with Etisalat to share facilities**

**TELECOM operator Etisalat DB**, formerly known as Swan Telecom, has decided to outsource its telecom infrastructure requirements to the Anil Ambani Group Company Reliance Communications (RCom) as part of Rs 100 billion deal spread over the next 10 years. According to the agreement Etisalat DB would outsource its telecom infrastructure requirements for the 15 telecom circles for which it has received licences to set up mobile services. While R Com will provide transmission infrastructure, Reliance Infratel Ltd, another ADAG group company, will provide the tower facility.

**Ideacts joins hands with Google**

**IDEACTS Innovations** has joined hands with Google to improve the Web search experience for its cybercafé users. Ideacts uses its proprietary software CLINCK to advertise user-targeted material to cybercafé users across India. Together with Google, they are working on making search more accessible to give their cybercafé users a better experience. The company was founded in March 2007 and has received early stage investments from Sequoia Capital and SVB Financial Group.

**IBM in deal with Sun TV**

**IBM** has announced the signing of a services deal to implement and manage Customer Relationship Management (CRM) related applications for Sun Direct TV, part of the Chennai-based Sun TV Group. This multi-year deal includes end-to-end services, from strategy through implementation, and displaces Sun Microsystems, the incumbent provider. Sun Direct TV,

launched in December 2007, has over three million subscribers. It plans to implement a CRM platform for six million subscribers, with a target of 10 million by 2010.

### **Hong Kong Company acquires 26% in Future Logistics**

HONG Kong-based Li & Fung Group, a global supply chain manager, picked up more than 26% stake in Future Group's logistics arm Future Logistics Solutions for around US\$ 30 million. Future Group and Future Logistics Solutions signed an investment contract with Fung Capital, the private equity investment arm of the families of Victor Fung and William Fung that controls Li & Fung, in Hong Kong.

### **Essar Oil ties up with Weizmann Forex**

ESSAR Oil has tied up with Weizmann Forex, a leading money changing organisation in India, to offer currency exchange facilities to non-resident Indians at its fuel stations. Weizmann will open its branches in 20 Essar outlets across Kerala where there is a sizable NRI population. They will then extend this to Gujarat in the next phase. The company has already tied up with Rallis and National Seeds Corporation for its town/rural outlets. Its other alliance partners are banks for setting up ATMs in rural outlets as well with Amul and local food chains.

### **German broadcaster ties up with Kerala**

GERMANY'S international broadcaster Deutsche Welle and the Kerala Department of Education will enter into a partnership to telecast educational programmes for school children in the State. Under the agreement between the two organisations, educational television programmes from Deutsche Welle will be beamed on Virtual Class Technology on Edusat for Rural Schools (VICTERS), the educational television channel of the Kerala Department of Education, operated by the State's IT@School Project.

### **HCL Tech in US\$ 7.7 million pact with South African company for SAP solutions**

HCL Technologies has entered into a strategic partnership with South Africa's UCS Group. As part of the all-cash deal, HCL will acquire UCS's enterprise solutions SAP practice focused on the retail sector for US\$ 7.7 million. The acquisition would help the company offer SAP consulting services to the retail sector in South Africa and other key markets globally.

### **Honda Motorcycle, Muthoot Capital Services tie up**

HONDA Motorcycle and Scooter India Pvt Ltd (HMSI) has tied up with Muthoot Capital Services Ltd (MCSL), a division of Muthoot Pappachan Group, to offer instant need-based financial services for its two-wheeler customers. The tie-up will enable HMSI to penetrate deep into the semi-urban and rural markets using the services of MCSL's retail outlets and dedicated manpower at every HMSI sub-dealer point. HMSI has a strong dealer network in Kerala and Tamil Nadu, where the financing options will be available initially. The two companies will work closely to bring in operational efficiency, optimise the Turn Around Time (TAT) and enhance customer satisfaction.

### **Jute manufacturers' body ties up with retailer**

THE Jute Manufacturers' Development Council (JMDC), which has launched the re-branding of lifestyle jute products, has tied up with a leading Indian retailer to sell the products shop-in-shop. They have entered into an agreement to sell the products in Kolkata in retail malls to begin with. At least six such shop-in-shops would be opened soon. They will later extend this to other parts of the country.

**Novatium, NIIT tie up**

**NOVATIUM Solutions, the Chennai-based provider of simple computing platform, and NIIT Ltd** has announced a partnership to deliver training solutions to consumers using Novatium's Nova net PC, which works on the thin client concept. NIIT will provide Nova netPC product training to customers, channel partners and business associates of Novatium. Novatium will provide standard NIIT e-learning package to its customers on Nova netPC platform. The Nova netPC is a small box and does not contain any software or application. It is linked to a central server, which hosts all applications. The central service has all the storage and guarantees data privacy through encryption.