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NOTE

Econometer will be published on the last day of the month instead of 15th date of every month.

DID YOU KNOW

The first electronic mail, or "email", was sent in 1972 by Ray Tomlinson. It was also his idea to use the @ sign to separate the name of the user from the name of the computer.

GM's Bankruptcy will go down in history!

GM's collapse constitutes the world's third largest bankruptcy filing



In 100 years strong legacy, almost 2, 50,000 employees and over 16 million cars sold in 140 countries. All of that came to a grinding halt on June 1, 2009 as the world's largest automaker American giant, **General Motors (GM)** filed for Chapter 11 bankruptcy protection in a New York court. GM's collapse constitutes the world's third largest bankruptcy filing after Lehman last year and WorldCom in 2002 and GM's is the largest such filing in the manufacturing sector ever.

The GM and Chrysler bankruptcy serves great learning for countries like India that are missing a world articulated bankruptcy and insolvency regime. In India, bankruptcy is a luxury reserved for the manufacturing sector. It's all about turning sick, going to Board for Industrial and Financial Reconstruction (BIFR) and dying a slow death. Few companies survive the journey! Sure it has its flaws, but America's bankruptcy code, especially Chapter 11 protection is designed to help companies get back on their feet. So ordinarily bankruptcies are no big deal in the US— but General Motors will go down in history for **3 reasons**.

Reason No. 1 - From General Motors to Government Motors.

It was once said – **What is good for General Motors is good for America!** That's become even truer because now America owns 60% of GM. When the world's largest auto company emerges from bankruptcy, it will be the world's largest government owned Auto Company.

Reason No. 2: It's the largest cross border insolvency ever!

General Motors has manufacturing facilities in 34 countries and sells its vehicles in 140 jurisdictions. Some of its global operations, for example, most of those in Asia, are run via independent companies that continue to be solvent and in good financial shape. Yet will the American parent's bankruptcy filings impact international subsidiaries?

Fritz Henderson, CEO, General Motors said, "None of our operations outside the United States are included in the US court filings and these filings have no impact on our plans and operations outside the US." "When a company that has assets abroad as well as in the US files for some sort of bankruptcy protection, the US bankruptcy will take the lead and in the foreign jurisdictions for example in United Kingdom (UK) or in Bermuda would file a provisional liquidation. A provisional liquidation is that the court recognizes that there may be liquidation at some point in the future but we would like to take a breathing spell and allow the US bankruptcy case to continue."

Reason No. 3: Speed! GM hopes to race through what it calls a surgical bankruptcy!

Bankruptcies are long drawn affairs. Lehman Brothers filed for Chapter 11 in September last year but is still stuck due to a dispute between Lehman's American and British units over the distribution of assets. GM is over 3 times bigger than Lehman and present in double the number of countries - yet GM hopes to clear bankruptcy in 2-3 months.

Chrysler expects to complete its bankruptcy proceedings in a month. So maybe GM can do it in 2. After all it has the President of the free world backing it and a superpower as majority shareholder! Years from now GM will be less remembered for its spectacular collapse and more for unprecedented government intervention— after all, nowadays - **What is good for America is good for General Motors!**

Most Economies in Deeper Slump: World Bank

Seoul: The World Bank warned on Monday prospects for the global economy remained "unusually uncertain" despite recent signs of improvement in parts of the world and cut its 2009 growth forecasts for most economies. The World Bank, which has recently cut its forecast for the global economy to a contraction of 2.9 per cent from a projection for a 1.7 per cent decline set in March, released details on individual economies for the first time on Monday.

It also called on the governments around the world for "**vigilance**" in drawing up exit strategy to reverse the recently expansionary monetary and fiscal policy once the world economy takes off for recovery. The bank said in a Global Development Finance report released on the sidelines of an international conference in Seoul that the unprecedented expansionary policy could result in heavy adverse effects on the future policy if maintained after the recovery.

NTPC open to buying Reliance gas at \$4.2 mmBtu

New Delhi: NTPC Ltd is open to buying Reliance Industries' gas at **\$4.2 per million metric British thermal unit (mmBtu)** except for the plants under dispute in the court. Reliance and NTPC are tangled in a legal issue over implementation of a gas supply agreement between them in 2005, under which Reliance was to supply 12 mmscmd at **\$2.34 per mmBtu** for the Kawas and Gandhar projects in western Gujarat state. The government had allocated 2.6 million metric standard cubic metres a day (mmscmd) for projects of NTPC other than the two projects for which the legal battle between NTPC and Reliance was going on. "We invited them for discussions last week and yesterday also. But, they did not come," Chairman and Managing Director R.S. Sharma said.

India's Sensex to Rise 14% in 12 Months: Nomura

Indian stocks are "fairly valued" after a 49 percent advance this year and further gains depend on government policies to boost economic growth and pare a budget deficit. The benchmark Bombay Stock Exchange Sensitive Index may rise to **16,400 in the next 12 months**. Investors should own a mix of so-called defensive and domestic cyclical shares, they added.

The rally this year has helped India post the fifth-best performance among the 89 markets tracked by Bloomberg News globally. Valuations have also climbed, with the **Sensex now valued at 16 times reported earnings**, double November's low of 8.1 times. "The relative outperformance and the strong move in the market post the elections have now priced in improving economic fundamentals," the analysts wrote in the report. "The upcoming budget next month will be very important for the overall direction of the market."

The Sensex advanced **1.7 percent to 14,590.18**, the highest in more than a week, as of 1:23 p.m. in Mumbai. India has announced three stimulus packages since December, lowering retail fuel prices, cutting taxes on consumer products and injecting capital into state-run banks, to shield the economy from the global crisis. **Nomura**, an investment bank in Japan, recommends that investors buy shares in industries including automobiles, financials, so-called fast-moving consumer goods, technology services, media, pharmaceuticals and power. Its recommended portfolio is "underweight" in energy, metals and cement companies following a jump in their valuations, according to the report.

Mumbai is 6th most expensive office market

New Delhi: With decline in rentals, Mumbai has become lesser expensive for office space, but remains at the sixth position among the world's costliest office markets, which is topped by **Tokyo**.

The average annual rentals of **Mumbai** and **Delhi** stood at **131.04 dollar per sq ft** and **86.94 dollar per sq ft** respectively as on March 31, 2009. The list, which has been compiled taking into consideration 50 important cities across the world, has been topped by **Japanese capital Tokyo's Inner Central** locality with a rental of **183.62 dollar a year in each sq ft**. The other places that found berths in the top of the list include London (West End), Moscow, Hong Kong (Central Business District) and Tokyo (Outer Circle).

Montek hints at a 'Popular' Budget

New Delhi: The first Budget to be unveiled by the new UPA government on July 6 will be "popular", Planning Commission Deputy Chairman **Montek Singh Ahluwalia** said.

"The word populist has negative overtones, but I am sure (the) Finance Minister will present a popular Budget. However, we should maintain the mystery of the Budget and you have to wait and see what comes out," he said in an interview. Making a case for "strong government effort" to promote growth, **Ahluwalia** said, "The Prime Minister has said we should get back to between **8 and 9 per cent (economic growth rate)**, that might take a couple of years. I think it is feasible but it requires some strong and purposeful action."

Prime Minister **Manmohan Singh** earlier in the month had asked the Finance Ministry "to ensure that the next union Budget adequately and appropriately reflects the priorities and programmes outlined in the President's address to the joint sitting of Parliament." Among other things, President **Pratibha Patil** had talked about a Food Security Act to provide 25 kg of rice or wheat per month at Rs 3 per kg to people below poverty line.

Finance Minister **Pranab Mukherjee**, who will be presenting the Budget for 2009-10 in the Lok Sabha in first week of July, has already indicated the government "would continue to focus on public spending in employment oriented growth sectors, increasing the purchasing power of the people."

Besides, Mukherjee had said that the focus of the government would also be on "development of rural sector-- both agriculture and non-agriculture-- and development of labour intensive MSME sector" Referring to the growth prospects during the current fiscal, **Ahluwalia** said, "Everybody now agrees that the worst is behind us and we must focus on reviving the momentum of growth. Last year, our growth rate was about 6.7 per cent. We are hoping we can do about 7 per cent this year."

Owing mainly to the impact of global financial crisis on the country, economic growth rate fell to 6.7 per cent during 2008-09, after posting 9 per cent in three consecutive years. Noting that fiscal deficit can take a back seat during 2009-10, he said, "What we want to do at present is advance investment as much as possible so we can do more this year and may be next year, and then as economy recovers, we can do less. The idea is to anticipate the investment that otherwise would have..."

Government may increase Excise, Service Tax Rates: Deloitte

New Delhi: International accounting and consulting firm **Deloitte** expects that the Indian government will **increase** excise duty and service tax rates in the upcoming Budget to harmonise them with the proposed **Goods and Services Tax (GST)**, which is scheduled to be introduced from next fiscal.

The Government has cut excise duty rates by six per cent and service tax by two per cent in three stimulus packages, which Deloitte expects to be partially rolled back.

"The Government may cut back indirect taxes reductions made as part of fiscal stimulus packages in December-February, as the Finance Minister is expected to discuss the roll out of GST and lay down a framework plan for the introduction of the tax in the country," opined Deloitte Touche Tohmatsu India Senior Director (Indirect Tax) **M S Mani**. He said the government is expected to give some directional clarity on the GST and service tax and excise duty rates could be increased in order to facilitate transition to the proposed GST regime.

GST is supposed to converge almost all indirect taxes at the Centre and states. Broadly, it will replace excise duty, service tax at the Central level and VAT at the state level.

Among other expectation from the Budget, to be presented by Finance Minister Pranab Mukherjee on July 6, Deloitte predicts the custom duty on crude oil may be brought back to bring fresh revenue streams for the Government to rein in mounting fiscal deficit.

Credit Analysis and Risk Analysis

Through every Business cycle, Banks and other financial institutions lose billions of dollars due to their failure to analyze credit risk correctly. Even if these institutions do not suffer direct financial losses due to default/market movements, they may be receiving an inadequate return for the risks involved. Given the increasing use of leverage by both the private and public equity markets, these issues are becoming even more relevant than previously. Before we look in to the detailed process of credit analysis followed by commercial banks, first we need to understand the significance of Credit Analysis/ Credit Appraisal and Risks associated with it.

Credit analysis is the method by which one assesses the creditworthiness of a business or organization. The audited financial statements of a large company might be analyzed when it issues or has issued bonds. Or, a bank may analyze the financial statements of a small business before making or renewing a commercial loan. The term refers to either case, whether the business is large or small. Credit analysis involves a wide variety of financial analysis techniques, including ratio and trend analysis as well as the creation of projections and a detailed analysis of cash flows. Credit analysis also includes an examination of collateral and other sources of repayment as well as credit history and management ability. The basic components of credit analysis are "Five C's".

- **Capacity** to repay from the cash flow of the business, the timing of the repayment to match cash flow, and the probability of successful repayment, payment history on existing credit relationships is an indicator of future performance, contingent sources of repayment.
- **Capital** is what the owner has invested and what that person(s) have at risk need to the business fail.
- **Collateral** or guarantees are additional forms of security provided to a lender as a repayment in case the loan cannot be repaid under anticipated means, or some other entity agrees to repay the loan in the event of the primary borrower's default.
- **Conditions** focus on the intended purpose of the loan, the local economic climate and the conditions within the industry that may affect the borrower.

Thus, **credit analysis does not predict the future of a company or the behavior of markets. Rather, it indicates what can be expected and anticipated from a company.**

Risk Associated with Credit Analysis/ Credit Appraisal:

Management Risk: Poor management is a main cause of corporate failure and understanding this requires a dollop of cynicism. Most distressed companies are in their predicament because of poor management. How does one go about understanding the mentality and attitude? The consideration of the strength of the management of a business may be split into a number of components: Track record and ability, Structure, responsibility and succession, Incentives

Business Risk: Business risk focuses on the risks company faces in its environment. Such risk analysis uses models (SWOT, PEST, Porter's Risk Assessment Matrix and the five forces model) to assess competitor position, business strategy and plans, industry, market, and products that help to compare, position, and assess the various risks involved. It also includes market risk where lender needs to identify. In investigating the market the analyst will be able to establish a point of view of both macro and micro-economic elements that may affect the future. Operating risk is also important because it relates to the ability of the company to successfully manage production cycle without experiencing negative tendencies.

Industry Risk: Analyst need to know about all the risk associated with industry. Number of competitors, their strength, weakness, market share, strategies etc also needs to analyze the technology adopted by a company, whether the technology is outdated or not. This analysis helps to find out the position of a company.

Regulatory Risk: Regulatory risk also plays important role in assessing company. Regulatory policies have direct impact on industry and company. It may be of may not be in favor of company. Analyst need to study these policies time to time.

Financial Risk: Financial risk traditionally focuses on elements surrounding the borrower and his financial situation. This includes analyzing elements such as the nature of obligor, financial performance indices and management effectiveness in managing successive business cycle as evidenced by financial stability.

Rising Oil Prices a Blessing or a Curse??

Oil at **\$68 a barrel**, as opposed to the high \$30s we saw earlier in the year, is good if you are hoping for an economic rebound. It testifies that the world economy is not yet about to fall into a great depression. The rally in oil reflects a range of factors: a weakening dollar, fears of inflation, increased investor risk appetite and the appearance of 'green shoots'.

Oil has rallied more over the past 80 trading days than it did at any time during its entire bubble run from 2001-2008. In fact, its current rally of 99% since the low of 12 February is nearly double the highest 75-day rally during the last oil bull run (from December 2001 to April 2002, oil rallied 55% over 75 days). Oil has also gone from **\$33.75 to \$67.75 in just 75 trading days**. During the 2001-08 oil bubble, it took 409 trading days to complete the same task from January 2004 to August 2005. While many investors are arguing that oil's rally is a good sign for the global economy and equity markets, let's hope it doesn't revert to the inimical \$150.

The credit crunch may have sparked the crisis. But it was arguably high oil prices that first pushed the world towards recession by helping to trigger the US slowdown in December 2007. By the same token, it is being explained the fall in oil prices has now helped the world economy back to its feet.

Do oil and stocks trade hand-in-hand? In general, oil and stocks are believed to have an inverse relationship. Looking at data from 1970 through 2008, oil and stocks have a **correlation coefficient of -0.11**, a negligible correlation (when one variable increases, other variable decreases), smaller than anyone wants to think. **R-squared**, which shows the relative relatedness of the two variables, is **0.01** — which means that you can blame only 1% of stocks' jumping around on oil price movements. From 1992 to early 1994, over 20% of the movement in stock prices could be attributed to oil. Unlike previous recessions, oil prices today are much more **closely aligned** with stock prices as commodities have become a popular investment vehicle.

If you've been following the markets on a daily basis over the past few months, you must have noticed that oil and stocks have been trading hand in hand together. As shown, both are up big since the March lows.

Today, oil and petroleum products are responsible for only 2.5% of America's GDP. We are less dependent on energy than 15 or 20 years ago. Besides, in the US — still the world's largest consumer economy — two of the most important sectors, information technology and finance, are much less energy-intensive than the erstwhile manufacturing and agriculture.

Technically, oil and stocks should be inversely correlated. But, as we have seen above, oil and stocks have increasingly positively correlated over a period of time, indicating clearly that speculative traders have entered the oil market in a big way.

Abdalla El-Badri, OPEC's Secretary General, warned recently that speculators are back to work. Oil outperforming oil stocks: While the price of oil has risen from the **\$30s to \$68**, oil stocks have not really rallied much. Such a dramatic outperformance of oil vis-à-vis oil stocks indicates that oil is probably factoring in a **speculative element**, and not just health of the economy as widely perceived.

Fundamentals of oil remain weak: Developed country inventories, for example, cover 62.4 days of demand, one of their highest levels ever, and 14.7 % more than a year earlier. US stores of crude are 16.5% higher than a year ago, even though imports are down 6.6 %, based on a four-week average. The rising Chinese demand may have more to do with the Chinese government stockpiling oil than an increase in energy consumption.

The IEA predicts oil consumption would drop by 2.6 million barrels a day which is apparently the steepest fall since 1982 and considers the present economic recovery as temporary in nature. It now costs almost 60% more to fill a vehicle than it did at the end of 2008. That is probably enough to knock half a percentage point off consumption, at an annualised rate. With spare **OPEC capacity at 7.5 million barrels per day**, there's absolutely no reason for such a hurried move in oil prices.

Investors' bullish sentiment towards oil could be self-defeating, driving prices so high that they squelch any nascent rebound in demand (for every 10 cent rise in gas price, people can spend \$40 million less a day on other things), and possibly apply brakes to economic recovery. The fundamentals indicate that we are likely to revisit the **oil boom and bust** scenario witnessed in 2008.

Some Financial Terms

Disinflation:

A slowing in the rate of price inflation. Disinflation is used to describe instances when the inflation rate has reduced marginally over the short term. Although it is used to describe periods of slowing inflation, disinflation should not be confused with deflation.

Cross-Listing:

The listing of a company's common shares on a different exchange than its primary and original stock exchange. In order to be approved for cross-listing, the company in question must meet the same requirements as any other listed member of the exchange, such as basic requirements for the share count, accounting policies, filing requirements for financial reports and company revenues.

Quick-Rinse Bankruptcy:

A bankruptcy proceeding that is structured to move through legal proceedings faster than the average bankruptcy. The term "quick-rinse bankruptcy" first emerged during the credit crisis that started in 2008 and was used to describe the planned bankruptcies of U.S. automotive giants Chrysler and General Motors. In order for quick-rinse bankruptcies to be effective, interested parties must negotiate prior to the proceedings. These negotiations take place between the government, debt holders, unions, shareholders and other parties in order to prevent filings by these parties in court that would otherwise clog up the process.

Sterilization:

A form of monetary action in which a central bank or federal reserve attempts to insulate itself from the foreign exchange market to counteract the effects of a changing monetary base. The sterilization process is used to manipulate the value of one domestic currency relative to another, and is initiated in the Forex market.

Credit Cliff:

A slang term referring to the compounding of a company's credit deterioration caused by provisions, such as financial covenants, or events that trigger a change in the company's credit rating. These can put pressure on the company's liquidity or its business to a material extent.

Employee Stock Ownership Plan (ESOP):

Employee benefit scheme intended to motivate employees by giving them a stake in the firm's success through equity participation. Purchase of shares by employees is funded by a loan (usually from a bank) guaranteed by the employer. This plan costs little or nothing to the employer because the loan principal is paid-off from the dividend payment to the employees, and the loan interest is a tax-deductible expense. Moreover, this plan raises the firm's capital to asset ratio by bringing in capital from new stock issue.

Pump Priming:

The action taken to stimulate an economy, usually during a recessionary period, through government spending, and interest rate and tax reductions. The term "pump priming" is derived from the operation of older pumps; a suction valve had to be primed with water so that the pump would function properly. As with these pumps, pump priming assumes that the economy must be primed to function properly once again. In this regard, government spending is assumed to stimulate private spending, which in turn should lead to economic expansion.

Securitize:

A pooled group of financial assets that together create a new security, which is then marketed and sold to investors. The value and cash flows of the new security are based off of the underlying value and cash flows of the assets used in the securitization process. Companies will securitize illiquid assets into liquid assets in order to increase their overall liquidity and generate immediate proceeds from their assets.

QUIZ

1. The First Indian Bank to be listed on the New York Stock Exchange (NYSE)?
2. Oldest Public Sector Bank of India?
3. Founder of Google?
4. The first Indian Company to have Embraced Six Sigma?
5. Four Circles, the logo of Audi Signifies what?

GUESS WHO IS THIS?



'Indian economy returning to Growth Path' : Goldman Sachs

New Delhi: The Indian economy and the financial sector are returning to a '**potential growth path**' after adjusting to intense dislocation in the global economic environment, financial services major Goldman Sachs said. "We believe the Indian economy and the financial sector are returning back to a potential growth path, post a period of adjustment to the intense dislocation in the global economic environment," Goldman Sachs said in a report.

Goldman expects its net income growth for the financial sector to rebound to **32 percent in 2010**, from one percent in 2009. The firm further said it is turning constructive on the Indian financial sector due to improving outlook for the macroeconomic environment, positive impact of a decisive election outcome on potential policy action and Government agenda as well as on business confidence. Besides, other reasons for the constructive view is the change of outlook from **negative to positive** as well as upside potential to its growth expectations. It is likely that the loan growth would be over **20 per cent by 2011**.

LIC to invest Rs 50,000 crores in FY'10

New Delhi: Life Insurance Corporation of India (LIC) said it will invest nearly Rs 50,000 crores in the equity market this fiscal. "We expect to invest nearly **Rs 50,000 crores in equities** this year against **Rs 40,800 crores** last year," LIC Managing Director **Thomas Mathew** said in New Delhi. So far in this fiscal, the largest life insurer has invested about Rs 8,000 crores in the equities. As per exposure norms, LIC is also investing in government papers and corporate debt.

Yesterday, LIC Chairman **T S Vijayan** said during the current fiscal, the life insurance company is eyeing a **premium income growth rate of 20 per cent**. As regard new premium income, which declined by nearly 10 per cent in 2008-09, he said the company is expecting a growth rate of 25 per cent during the current financial year. LIC collected a premium income of **Rs 1,55,000 crore in 2008-09**, which included **first premium income of Rs 52,000 crore**.

India attracts USD 2.34 Billion FDI in April

New Delhi: India attracted USD 2.34 billion of foreign investments in April, a **rise of 19.3 per cent** over the previous month, signaling confidence in the country's economy by foreign investors amid the global financial crisis. "In April 2009, foreign inflows were USD 2.34 billion, about 19 per cent higher than March," an official said.

However, as compared to April last year, foreign direct investment (FDI) in the first month of the fiscal 2009-10, was much lower. The inflows in **April** and **March** last fiscal were **USD 3.74 billion** and **USD 1.96 billion**, respectively. Thanks to robust trends in the first six months of the last fiscal, total FDI in 2008-09 was USD 27.30 billion, against USD 24.5 billion in 2007-08. Rating agency CRISIL Economist **D K Joshi** said the current year would be difficult in the wake of the global economic downturn. Given the poor global economic scenario, the figures are not too discouraging but the year 2009-10 will be more challenging. India had scaled down the FDI target by USD five billion from USD 35 billion last fiscal. Cumulative FDI from April 2000 to March 2009 stands close to about **USD 90 billion**.

Deflation, Inflation & In Between

To make sense of today's most perplexing economic debate – whether we are flirting with inflation or deflation – it's worth recalling period after World War – II. President Truman lifted wage-price control. Suppressed during the war, wages and prices exploded. Workers went on strike for higher pay. In **1946** and **1947**, consumer prices rose **8.5%** and **14.4%** respectively. However prices than stabilized. There was insignificant upward rise in wage-price during 1960s and 1970s. Inflation subsided mainly because people didn't expect it to continue. They knew that, except for the impact of wars, prices are generally stable.

The lesson is: **psychology matters**. The Economists call “expectations” shape how workers, managers and investors behave. **Inflation** results mainly from **too much demand** chasing **too little supply**. Once the economy recovers, easy money and credit will spawn inflation. Cheap loans will bid up prices; wages may follow. Lower interest rates will encourage spending, US interest rate close to zero, and deter savings. With huge budget deficit, the Government will want to hold down borrowing costs, preventing increasing interest rates. Inflation psychology emerges. **Deflation** results when **too much supply** chasing **too little demand**. High unemployment and slack business capacity impede wage and price rise. If Govt. doesn't maintain cheap credit, shrinking demand might cause prices and wages to fall down. Hence, **Deflation**, not inflation, is clear and **present danger**.

In the past year in US, Unemployment in May rose to **9.4% from 8.9%**. A survey found that **52%** of firms had frozen or **cut salaries** and with **GM's bankruptcy** it is evident surplus is worldwide. Thus Inflationary expectations are low. Expectations matter; inflation won't burst instantly. However inflation fear could raise prices of commodities. The Government should get the **timing right** and **resist contrary pressures** and pledge to **reassure** the markets.

The Ministers of “India”

Name of the Minister	Cabinet Post
Shri Pranab Mukherjee	Minister of Finance
Shri Sharad Pawar	Minister of Agriculture and Minister of Consumer Affairs, Food & Public Distribution.
Shri A.K. Antony	Minister of Defence
Shri P. Chidambaram	Minister of Home Affairs.
Km. Mamata Banerjee	Minister of Railways.

Answers for the Quiz

1. ICICI Bank
2. Allahabad Bank
3. Larry Page & Sergey Brin founded goggle in 1998.
4. Wipro
5. The Four companies which were merged to form the present company

ANSWER (PICTURE) – Michael Dell

Please send your feedbacks and suggestions at
iesinvestorz@gmail.com

STUDENTS CORNER

Mr. Nandan Nilekani steps down from Infosys Board

Infosys Technologies Limited (NASDAQ: INFY) today announced that Mr. Nandan M. Nilekani, will relinquish the position of Co-Chairman and Member of the Board at Infosys. Mr. Nandan Nilekani has been invited by Hon'ble Prime Minister, Dr. Manmohan Singh to take charge as the Chairperson of the Unique Identification Authority of India (UIDAI), in the rank of Cabinet Minister. The Board of Directors accepted Nandan's resignation. The resignation will be effective from July 9, 2009.

- Bv Jitendra Dwivedi