

# India to have 30 world-class universities, says PM

India will establish 30 world-class universities across the country that would become "launch pads" for the country's entry into the knowledge economy, Prime Minister Manmohan Singh announced in Mumbai on June 22.

"This expansion is going to be a landmark in expanding access to high-quality education across the country. These universities should focus on international standards of excellence and be rated among the top institutions in the world," the Prime Minister said.

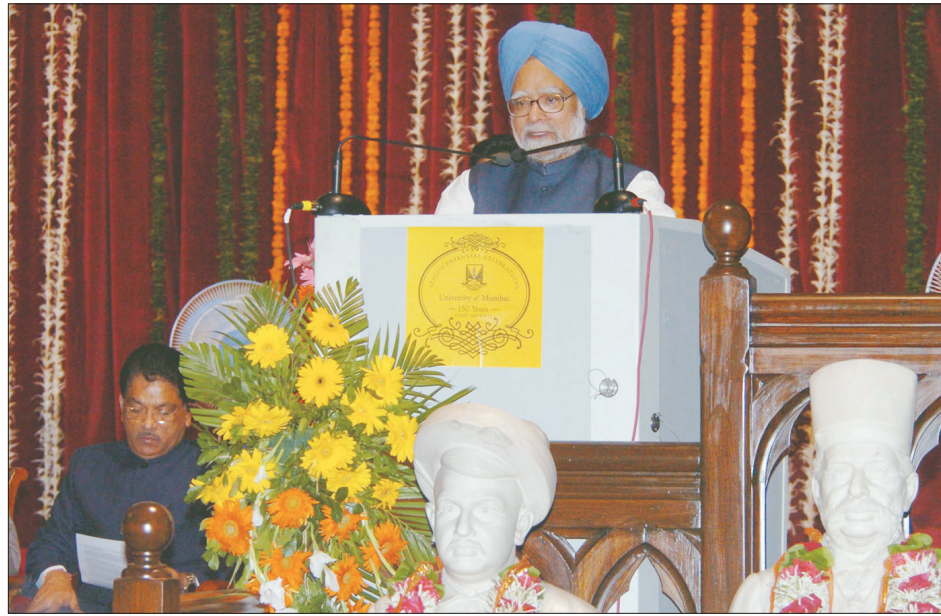
"They must become the launching pads for our entry into the knowledge economy," Manmohan Singh told an event in Mumbai to celebrate 150 years of the University of Mumbai, one of the country's oldest universities.

The Ministry of Human Resource Development, the University Grants Commission (UGC) and the Planning Commission have already begun work on setting up these "central universities."

"They are working to operationalise this in the next two-three months," he said.

The Prime Minister said efforts will also be made to ensure the best faculty for them, excellent physical resources, a range of disciplines, and diverse student bodies.

As opposed to universities run by state



Prime Minister Manmohan Singh addressing at the 150th Anniversary Celebrations of the University of Mumbai, Maharashtra on June 22.

governments, a central university is normally set up under an act of Parliament and not only receives funding from the Central Government but is also governed by the UGC, the nodal body for higher education, in terms of course curriculum.

According to the Ministry of Human Resource Development, there are at present 18 central universities, including the

Jawaharlal Nehru University in New Delhi, Banaras Hindu University, Jamia Milia Islamia in New Delhi, Delhi University and Visva Bharati in Santiniketan in West Bengal.

The President of India is the visitor of most central universities and nominates some members to the executive committee or the board of management.

"Our university system is, in many parts, in a state of disrepair," noted the Prime Minister, himself a former teacher who started his career as a lecturer of economics in Punjab before moving to Delhi University where he taught at the Delhi School of Economics.

"Almost two-thirds of our universities and 90 percent of our colleges are rated as below average on quality parameters. Importantly, there is a nagging fear that university curricula are not synchronised with employment needs," he said.

"We need better facilities, more and better teachers, a flexible approach to curriculum development to make it more relevant, more effective pedagogical and learning methods and more meaningful evaluation systems," the Prime Minister noted.

He said 340 districts in the country had extremely low college enrollments and assured that the central government would work with these states to support the expansion of colleges.

"Each of these districts should strive to have at least one good college and the central government is considering ways of funding their establishment," the Prime Minister, who has been taking a keen interest in improving the country's education system and making it world-class, said.

## At \$7 billion, India's eighth largest IPO market

Indian companies raised \$7.23 billion from the domestic capital markets in 2006, making the country the eighth largest issuer of equity capital in the world.

According to the latest Ernst & Young report, Chinese companies raised a whopping \$56.6 billion — the highest amount in 2006. China was followed by U.S. companies with total proceeds of \$34.1 billion, and Russian companies with \$18 billion in raising funds. Worldwide, IPO activity in 2006 raised total capital of \$246 billion.

Of the total funds raised in India, energy companies accounted for half the funds. Reliance Petroleum's \$1.8-billion issue ranked number 17 in the top 20 IPOs in the world, the report said. Even in the current year, Indian IPOs continue to surge in numbers, with mega issues like DLF and ICICI Bank hitting the market.

The report expects continued strength in the real estate and energy sectors. The strength of India's economy, stock market, corporate profits, energy sector, and record flows of private equity have fuelled the IPO issues in 2006 and 2007, the report said.

Keen investor interest in India's strong growth story has been reflected in the attractive valuations and key price/earnings multi-



ples garnered by Indian companies.

"The rapid growth in emerging market economies has resulted in a migration of capital from the developed economies into the emerging markets," said Ernst & Young, India, IPO leader, strategic growth, R. Balachander. "The corporate sector is on a growth trajectory, which has significantly increased their capital market needs. India's latest and strongest capital raising trends include localisation and qualified institutional placements."

Cross-border activity and the role of foreign capital continue to grow. FII's make up three-fourths of the new capital flowing into the market. The PE rush into the Indian market is also creating the potential for many IPO exits. In 2006, PE firms invested more than \$7 billion in India.

The report points out that emerging markets remain the wellspring of the world's most vibrant growth stories, with China fuelling Asian markets, and Russia driving European markets. Combined IPO activity in the BRIC countries increased to \$86 billion in 2006, compared with \$29 billion in 2005. The total number of listings in BRIC countries almost doubled to 279.

## Lalu wants to make Indian Railways world's best

Railway Minister Lalu Prasad on June 16 said that his foremost priority is to make the Indian Railways the world's best service of its kind and work had begun in that direction.

The Minister, who inaugurated the Ratlam-Neemuch broad gauge line in Madhya Pradesh, told mediapersons on board a special train, "I brought the Railways out of the red and earned a profit of Rs. 20,000 crore. Now, the emphasis is on further expanding railway business under which the Eastern and Western Dedicated Freight Corridor Project will be likely completed at a cost of Rs. 30,000 crore within the stipulated time of five years." For enhancing goods loading capacity, the Eastern Corridor would run from Ludhiana to Howrah while its western counterpart would run from New Delhi to Mumbai.

"The corridors envisage separate electrified up and down tracks for goods trains. In the second phase, freight corridors will be constructed between Mumbai-Chennai and Chennai-Howrah," the Minister said.



## Delhi to host Formula 1 road show in 2009

India has won the right to host its first Formula 1 race in 2009. A deal was struck to hold the event in New Delhi, said Suresh Kalmadi, president of the Indian Olympic Association, which will promote the race.



"We have received a letter in this regard from Bernie Ecclestone, CEO of Formula One," Kalmadi told reporters. Funds will be raised from the government and the private sector to build a new F1 track and stadium for the race, said Kalmadi.

"We are looking to identify suitable land for a world-class track," he said. New Delhi is already preparing to host the Commonwealth Games in 2010. The city, however, lost its bid to organise the 2014 Asian Games and opted out of the race for the 2016 Olympics.

Kalmadi said he was confident the IOA would meet the financial and infrastructure proposals laid down by Ecclestone before the final contract is signed by the September 30 deadline.

"We are capable enough to raise the money. We have done it in the past. We will do it again," he said. Asked why New Delhi was chosen as the venue, Kalmadi said, "The Commonwealth Games are coming up. So we will have the international airport, hotels and other infrastructure ready for this."

Formula 1 supremo Ecclestone has recently promoted India as one of the future markets for motor sport after home-grown Narain Karthikeyan drove for Jordan in the 2005 season. "India is a country that is probably going to grow quicker than China," Ecclestone said in November.

There has been heightened interest in F1 racing in India after Karthikeyan hit the tracks on the back of Indian sponsorship reportedly worth \$10 million. The 29-year-old did not race in 2006 but is signed up with Williams as a test driver.