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ECONOMY

Balancing act of RBI

- The Reserve Bank of India's credit policy review, will be the first after the new government has taken charge. It is also the second bi-monthly policy for the current year (2014-15). The RBI has switched to the system of reviewing credit policy once in two months from the earlier once in 45 days or so following the recommendation of the Urjit Patel committee.
- Fortunately, very few expect the government to interfere, certainly not so soon after taking office. Moreover, there has been a positive message from the meeting RBI Governor Raghuram Rajan had with new Finance Minister Arun Jaitley on May 26. In this very first meeting with a senior government official, Mr. Jaitley has listed out his priorities — price stability, stimulate growth and fiscal consolidation — and said he is keenly aware of the need to do a tough balancing act in reconciling the several policy objectives.
- India's inflation problems are structural in nature. The RBI cannot influence supply-side factors, which are responsible for food inflation. Supply side pressures on prices will be felt when investment picks up consequent on the new government's initiatives.
- Balance sheet problems of public sector banks are another reason standing in the

way of lower interest rates. The combination of bad and restructured loans means little room for banks to lower interest rates.

- The policy document will stress the obvious point that inflation is a problem for the government and the RBI.

Restrictions on foreign exchange proprietary trades

- A stronger rupee has paved the way for high-street banks to have a greater play in the currency market, with last year's unnerving choppiness suddenly looking like a thing of the past.
- The Reserve Bank of India (RBI) recently told several large lenders that they are free to carry out foreign exchange proprietary trades in which bank treasuries bet on the dollar-rupee movement.
- The move will deepen the currency market and offer finer foreign exchange rates to customers, particularly large corporates with regular exports, imports and dollar borrowings.
- The RBI allows each bank a certain net open position (NOP) limit for prop (or, proprietary) trades; the limit varies from \$20 million to \$100 million, depending on a bank's size and level of treasury activity.
- In 2013, when the rupee buckled under speculators' attack, the limits were whittled down by banks to \$5 million and even zero at the RBI's instruction.

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Key policy rates unchanged by RBI

- Despite intense pressure and widespread anticipation, the Raghuram Rajan-led Reserve Bank of India (RBI) has decided to keep the policy rate unchanged.
- In doing so, it has indicated that it is prepared for a wait-and-watch approach.
- Perhaps, it has chosen to await the maiden budget of the Narendra Modi Government at the Centre so as to get a sense of direction of the new fiscal managers.
- The Reserve Bank of India (RBI) has kept the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 8.0 per cent. It has also decided to keep the cash reserve ratio (CRR) of scheduled banks unchanged at 4.0 per cent of net demand and time liabilities (NDTL).
- However, it has reduced the statutory liquidity ratio (SLR) of scheduled commercial banks by 50 basis points from 23.0 per cent to 22.5 per cent.
- The apex bank has also decided to continue to provide liquidity under 7-day and 14-day term repos of up to 0.75 per cent of NDTL of the banking system.
- Consequently, the reverse repo rate under the LAF will remain unchanged at 7.0 per cent, and the marginal standing facility (MSF) rate and the Bank Rate at 9.0 per cent.

Core sector growth at 4.2 %

- Helped by healthy growth in electricity, fertilizers, cement and coal, the output of eight core industries increased 4.2 per cent in April, up from 2.5 per cent in the previous month.
- The growth of the eight core sector in April, 2013, was 3.7 per cent.
- Electricity production increased 11.2 per cent in April this year from 3.5 per cent in

the same month last year.

- Similarly, fertilizers, cement and coal registered higher growth during the month under review.
- Fertilizers, cement and coal recorded a growth 11.1 per cent, 6.7 per cent and 3.3 per cent, respectively, in April, according to the data released by Commerce and Industry Ministry .
- Coal, crude oil, natural gas, refinery products, fertilizers, steel, cement and electricity sectors had expanded 2.7 per cent in 2013-14. The eight industries have a combined weight of about 38 per cent in the Index of Industrial Production. Steel production increased 3.1 per cent compared with 10.1 per cent in the same month last year. Crude oil, natural gas and petroleum refinery product sectors contracted 0.1 per cent, 7.7 per cent and 2.2 per cent, respectively, in April.

FDI restrictions on online retailers to be eased

- India could allow global online retailers such as Amazon.com to sell their own products as early as next month, removing restrictions that have held back competition in one of the world's biggest, and most price-sensitive, retail markets.
- The decision, which is likely to be announced in or alongside the budget, is one of the first tangible signs of economic reform by the business-friendly government of Prime Minister Narendra Modi.
- The move could allow the government to circumvent political opposition to opening up India's \$500 billion retail sector to global retail giants such as Wal-Mart Store.

China urged to reduce finance risk

- The World Bank and the International

Monetary Fund are urging China to focus on controlling risks from rapidly rising debt due to its reliance on credit-fuelled growth.

- The World Bank said Beijing should pay close attention to rising credit, especially in its largely unregulated informal lending market, and reduce debts owed by local governments.
- Rising debts owed by local governments and uncertainty about informal lending have fuelled concerns China's economic slowdown might cause a rise in defaults and hurt its financial system.
- Chinese regulators have taken steps to cool credit growth but still are allowing a relatively fast expansion to support economic growth that slowed to 7.4 percent in the three months ending in March.

By the country's broadest measure, total outstanding debt rose from the equivalent of 124 percent of gross domestic product in 2007 to more than 200 percent in 2013, according to the World Bank.

- Corporate debt in Chinese economy, at the equivalent of 125 percent of GDP, is "among the highest in Asia.

Subsidised seeds

- Shortage of seeds is staring in the face of the farmers ahead of kharif season in Srikakulam district, notwithstanding the tall claims by the government on making seed distribution a smooth affair.
- It is estimated that over 1.5 lakh quintals of seeds of all varieties are needed for the farmers who cultivate 2 lakh hectares in 38 mandals. But the government is unlikely to supply the seeds in the required quantity, with the shortage of supply by the AP Seeds and other organisations.
- The supply for the kharif season is expected to be around 49,000 quintals this time of

which around 33,000 quintals have been sent to the 67 sale points set up at various places in the district.

May's exports up by 12.4%

- India's trade deficit rose to a 10-month high of USD 11.23 billion in May even as exports grew by 12.4 per cent, highest rate in six months, on improvement in the global demand.
- Trade deficit, the difference between earnings from exports and outflow on account of imports was USD 10.09 billion in the previous month. It was however, lower than USD 19.37 billion in May 2013.
- Helped by healthy growth in key sectors such as engineering, petroleum products and garments, exports during the month increased USD 28 billion from USD 24.9 billion in May 2013. However, imports dipped by 11.4 per cent at USD 39.23 billion.
- Gold imports in May dipped by 72 per cent to USD 2.19 billion, as against USD 7.7 billion in May 2013.
- In the April-May period of this fiscal, exports grew by 8.87 per cent to USD 53.63 billion. Imports during the period dipped by 13.16 per cent to USD 74.95 billion, leaving a trade deficit of USD 21.3 billion.

Insider trading scheme

- Three Indian-Americans and their associate have been charged by federal regulator in an insider trading scheme where they reaped \$12 million in illegal profits by trading in shares of a discount clothing chain.
- The U.S. Securities and Exchange Commission alleged that Saleem Khan was routinely tipped by his friend Roshanlal Chaganlal, who was a director in the finance department at Ross

headquarters in California.

- Mr. Khan used the confidential information to illegally trade on more than 40 occasions ahead of the company's public release of financial results.
- The SEC's complaint charges Mr. Khan, Chaganlal, Mendonsa, and Akbari with violating the antifraud provisions of the federal securities laws.

The target for installing ATM

- Eighteen public sector banks, including SBI and PNB, failed to fulfil the target for installing ATMs during 2013-14, leaving more than over 9,300 branches without cash vending machines. As part of the target, a total of 34,668 onsite ATMs were to be installed by PSU banks during the last fiscal.
- However, they could set up only 25,331 such machines by March 2014, thus falling short by 9,337, as per Finance Ministry data. Installation of Automatic Teller Machines (ATMs), especially by public sector lenders, has been a major priority for the government's efforts to ensure financial inclusion.
- Pursuant to Budget 2013-14 announcement, public sector banks were required to ensure an onsite ATM in every branch. As on March 2014, Allahabad Bank was yet to set up 1,950 ATMs, Central Bank of India 1,620, Syndicate Bank 1,085, Bank of India 7,44, State Bank of India (SBI) 696, Indian Overseas Bank 553 and Punjab National Bank (PNB) 499. On the other hand, Bank of Baroda, Bank of Maharashtra, Canara Bank, IDBI Bank and the four associates of SBI managed to meet the targets given to them.
- There are roughly about 1.4 lakh ATMs of public and private sector banks in the country. Financial inclusion aims to

extend financial services to the large hitherto un-served population of the country. In addition, it strives towards a more inclusive growth by making financing available to the poor in particular.

Inflation hits five month high

- Even before the effect of deficient monsoons begins to kick in, wholesale price inflation hit a five-month high of 6.01 per cent in May with the rate of rise of food prices running at 9.5 per cent. The bad news came after Prime Minister Narendra Modi warned: "To improve the economic health of India, pull the country out of the current mess shouldn't we take some bitter decisions?"
- In April, the rate of growth of the Wholesale Price Index (WPI) was 5.2 per cent; food price inflation had risen at the rate of 8.6 per cent. The pick-up in food inflation was led primarily by higher poultry and milk prices, according to the official data released here on Monday. Wholesale prices of potato are up more than 40 per cent since March. The build up in wholesale inflation in vegetables since March is touching 18 per cent.
- Fuel inflation climbed to 10.5 per cent in May largely on the back of the Rs.1.3 a litre hike in diesel prices and the lagged revision in the electricity index. In April, the fuel price rate of inflation was 8.9 per cent.
- The wholesale price data dampened the feel-good that the easing of retail price inflation in May to 8.3 per cent from 8.6 per cent in the previous month had generated. The official release also said that the rate of WPI rise for March has been revised up to 6 per cent from 5.7 per cent.

RBI said avoid excessive legal supervision on financial regulators

- The Reserve Bank of India (RBI) Governor, Raghuram Rajan, warned against excessive legal supervision on financial regulators as it would hamper policy-making and increase systemic risks.
- “The broader point is that a lot of regulatory action stems from the regulator exercising sound judgment based on years of experience. In doing so, it fills in the gaps in laws, contracts, and even regulations. Not everything the regulator does can be proven in a court of law,” said Dr. Rajan while addressing State Bank of India Banking Conclave 2014.
- Talking on the suggestions made by the Financial Sector Legislative Reforms Committee (FSLRC), Dr. Rajan said that the creation of a Financial Sector Appellate Tribunal would hamper the policy decisions taken by the regulator. He asked, “How much checking and balancing is enough? Do we want even policy decisions to be appealable? Can legal oversight become excessive?”
- The FSLRC had recommended several measures to reform the country’s financial sector. However, Dr. Rajan said that some of the recommendations seemed somewhat “schizophrenic” while still others ‘faddish and impressionistic’ rather than based on deep analysis.
- He warned that because of the tendency of any new organisation to overreach to justify its existence, one should be careful about tying the financial regulator with further judicial oversight. He also criticised the suggestion to merge all regulation of trading under a new Unified Financial Agency, so that the Forward Markets Commission, as well as the bond regulation activities now undertaken by

the RBI, would move under a new roof, as would the Securities and Exchange Board of India (SEBI).

U.S. push to tag India as emerging economy

- The crisis at the World Trade Organisation (WTO) talks in Geneva has deepened with the United States demanding that India and China be categorised as ‘emerging’ rather than as ‘developing economies’. India is resisting the move which, if it materialises, will halve WTO caps applicable to India’s food subsidies. It will also require India to grant market access to the U.S. The U.S. is insisting that India meet its food security law obligations with American imports.
- “The U.S. insists that economies such as India and Indonesia with high rates of growth can no longer be categorised as developing countries,” the sources said. “India’s stand is that going by per capita income, it is actually the world’s largest Least Developed Country where about 600 million live at less than \$2 a day,” the sources said.
- The U.S. has also tabled a study in Geneva, produced by its allies Pakistan and Canada, that claims food subsidies in India and China exceed those in the U.S. and the EU. India has countered the study, with data to show that the U.S. farm subsidies to its corporate sector are to the tune of \$20,000 to \$30,000 per capita per year against India’s mere \$200.
- At the Geneva talks, the U.S. has so far successfully thwarted India’s efforts aimed at finding a permanent protection against even the WTO’s agriculture caps currently applicable to its food subsidies. America’s own agenda of an agreement on Trade Facilitation, however, is well on track for the July 31 deadline as laid down at the Bali Ministerial.

Reliance would start offering 4G broadband service in 2015

- Reliance Industries Ltd (RIL) has announced plans to invest Rs. 1.80 lakh crore (\$30 billion) in three years in petrochemicals, refining, retail and broadband businesses with an aim to be among the Fortune 50 companies by the time it completes 40 years of corporate journey in 2017.
- RIL Chairman and Managing Director Mukesh Ambani said this while unveiling his vision for the company at the annual general meeting. "In the past 37 years, we invested Rs.2.40 lakh crore, and in this current three years' investment cycle, we will be investing over Rs.1.80 lakh crore. We are currently at the mid-point of largest investment programme in Reliance's history," Mr. Ambani told shareholders..
- RIL, which is at present debt-free, would raise debt of Rs.60,000 crore in the next two years and by the time this investment cycle was finished, it would once again be debt-free in 2017-18 on a much larger basis.
- Reliance Jio would start offering 4G broadband service in 2015, and it would be one of the largest job-creating and wealth-creating business initiatives in India. About Rs.70,000 crore had already been invested in this business, and 10,000 people were working across the country.

SEBI Initiating a wide range of measures of reform

- Initiating a wide range of measures, Securities and Exchange Board of India (SEBI) asked all listed public sector undertakings (PSUs) to ensure at least 25 per cent public shareholding within three years and unveiled new norms for

research analysts, employee stock option schemes as well as reforms to boost the primary market.

- Besides, the capital market watchdog has decided to share know your client (KYC) information with entities regulated by other financial sector watchdogs, a move aimed at having common norms across the financial market.
- Approving a slew of reform measures, the SEBI board said that all listed PSUs should achieve a minimum public shareholding of 25 per cent within three years.
- The decision, aimed at ensuring uniformity among listed entities irrespective of their promoters, would also help the government raise close to Rs.60,000 crore from the sale of shares in around 36 listed PSUs where the public shareholding is less than 25 per cent.
- Under current norms, government undertakings should have at least 10 per cent public shareholding whereas for non-PSU firms the minimum level is 25 per cent. Looking to revive the primary market, the market regulator has eased norms related to the size of an initial public offer (IPO) and pricing of preferential shares while allowing anchor investors to have a greater exposure to the offering.

FMC stop futures trading in potato

- The Forward Markets Commission (FMC) has curbed futures trading in potato contracts for July, August and September to check prices by disallowing fresh positions and hiking the deposit amount on buyers.
- The FMC has taken this decision in the backdrop of rising prices of potato and other essential commodities, which could be aggravated by the likelihood of a sub-normal monsoon.

Kharif sowing trailing by 17.64%

- The overall 45 per cent deficiency in the southwest monsoon so far has impacted kharif sowing, which is lagging by 17.64 per cent over the previous year. Sowing of rice, pulses, coarse cereals, oilseeds, sugarcane, cotton, jute and mesta is lower compared to the corresponding period last year.
- An Agriculture Ministry-headed inter-ministerial group reviewed the crop and weather situation on Friday. It was informed that rainfall is deficient in the country as a whole. The deficiency is 62 per cent in the east and northeast region, 40 per cent in the northwest, 38 per cent in south Peninsula and 32 per cent in central India.
- Of the 36 met sub-divisions, rain has been deficient in over 14 and scanty in 13 sub-divisions. It was normal in only five sub-divisions and excess in four, according to the India Meteorological Department. The forecast is that till June 26, north-eastern States as well as coastal Karnataka will receive widespread rains, while the rest of the country will get either scattered or isolated rain.

Over 10 % foreign investment in listed firms treat as FDI: Mayaram panel

- Seeking to simplify norms, a government panel has suggested that foreign investment of over 10 per cent in a listed company be treated as FDI and the one from NRIs on a non-repatriable basis be deemed as domestic investment.
- The panel on rationalising definitions of FDI and FII, headed by Finance Secretary Arvind Mayaram, said foreign investment in an unlisted company should be treated as FDI. It aims at removing ambiguities over clear

demarcation between FDI and foreign institutional investment.

- The report also says an investor may be allowed to invest below the 10 per cent threshold, and "this can be treated as FDI, subject to the condition that the FDI stake is raised to 10 per cent or beyond within one year from the date of the first purchase."
- If the stake is not raised to 10 per cent or above, then the investment can be treated as portfolio investment. Foreign direct investment is subject to sectoral caps.
- FDI reflects a lasting interest and long-term relationship, while under portfolio investment, the relationship between the investor and the company remains largely anonymous, the report says.

India should roll out the Goods and Services Tax: World Bank

- Ahead of the Modi-government's first budget, the World Bank, suggested that India should roll out the Goods and Services Tax (GST), reduce subsidies, and broaden tax base to promote growth, projecting it to be lower at 5.5 per cent for 2014-15, from the earlier forecast of 5.7 per cent.
- "Implementing the Goods and Services Tax (regime), targeting subsidies better, and broadening the tax base will help create the fiscal space for supporting accelerated growth and poverty reduction," said Onno Ruhl, World Bank's Country Director-India.
- He was speaking at a function here to release the World Bank's report on Global Economic Prospects (GEP) 2014. Lead author of the report Andrew Burns, too, was present at the launch of the report in India.
- The report, which was released globally

earlier, has scaled down economic growth projection for the current financial year to 5.5 per cent from 5.7 per cent estimated in April.

- "The growth in India is projected at 5.5 per cent in 2014-15, accelerating to 6.3 per cent in 2015-16 and 6.6 per cent in 2016-17," the GEP 2014 report says.

SEBI consider level tax field for investors in bonds

- Suggesting uniform tax treatment for all investors, Securities and Exchange Board of India (SEBI) Chairman U. K. Sinha, said the government needed to come out with a detailed policy on the matter to remove the existing 'anomalies' in the bond market.
- At present, tax rates vary for entities making investments in bonds. Mr. Sinha said the more difficult issue pertained to tax treatment or the withholding tax for investors in bond market.
- Noting that there were 'certain anomalies', the SEBI chief said the level of withholding tax for an FII investing in infrastructure bonds was different from that of others.
- Emphasising that procedures had been simplified for the corporate bond market, he said SEBI was in dialogue with industry to encourage them to come out with more issuances. At present, \$10 billion is the maximum investment limit allowed for entities such as sovereign wealth funds in government securities.
- On e-voting facility for shareholders, Mr. Sinha said listed companies had to follow SEBI norms. Recently, the Corporate Affairs Ministry extended the time till December this year for companies to mandatorily have e-voting facility under the new Companies Act.

Centre accepts Mayaram panel report

- Foreign investment of 10 per cent or more in a listed company will now be treated as foreign direct investment (FDI) as the government has accepted the report of a committee on rationalising definitions of FDI and FII.
- The Finance Ministry in a statement said the government had accepted the report of the committee headed by Finance Secretary Arvind Mayaram.
- It said an investor may be allowed to invest below 10 per cent and "this can be treated as FDI subject to the condition that the FDI stake is raised to 10 per cent or beyond within one year from the date of the first purchase".
- If the stake is not raised to 10 per cent or above, then the investment can be treated as portfolio investment.
- Among various recommendations, the panel has suggested that foreign investment in an unlisted company, irrespective of the threshold limit, may be treated as FDI.

India has moved up to 58th rank in terms of foreign money lying with Swiss banks

- India has moved up to 58th rank in terms of foreign money lying with Swiss banks, but it accounts for a meagre 0.15 per cent of an estimated \$1.6 trillion total global wealth held in Switzerland's banking system.
- The U.K. has retained its top position with highest share of close to 20 per cent of global wealth in Swiss banking system, followed by the U.S., West Indies, Germany and Guernsey in the top-five in terms of exposure to banks in Switzerland.

- Amid much hue and cry over huge amounts of illicit wealth stashed by Indians in Swiss banks, the latest official data released by Switzerland's central banking authority SNB shows that Indian money in Swiss banks rose by 43 per cent during 2013 to close to Rs. 14,000 crore (2.03 billion Swiss francs), pushing its global ranking up from 70th at the end of 2012. The rankings are based on the direct client exposure as also the funds held through 'fiduciaries' or wealth managers with a total of 283 banks in Switzerland.

RBI fixed schedules for regulatory approvals

- Moving to a time-defined process, the Reserve Bank of India, fixed schedules for various regulatory approvals, including grant of private bank licence, and also released a citizens' charter for its various services such as clearing of transactions.
- The release of 'Timelines for Regulatory Approvals' and 'Citizens' Charter' for delivery of services on the RBI's website is a part of implementation of non-legislative recommendations of the Financial Sector Legislative Reforms Commission (FSLRC), the central bank said in a notification.
- In case an applicant does not get a response within the indicated timeline, they can approach the head of the department, who will respond with status of the application, the reason for delay, request for additional information and likely time for disposal of the application, it added.
- As per the citizens' charter for RBI's departments which have public interface, deposit accounts department should issue cheque book within 20 minutes and demand draft should be issued in an hour, among others.

- Besides, refinance facility and disbursement of loans should take place in the same day of application while clearing should be completed by three days.
- Similarly, timelines have been fixed for in principle approval to banks for IPO, preferential issues of capital and qualified institutional placements (30 days) and authorisation for import of gold and silver by banks (60 days).
- As per one recommendation of the FSLRC, all regulators are required to move to a time-defined approval process, subject to applicable laws, for all permissions including licence to do business, as well as launch of products and services.

Sugar prices rises on import duty hike

- Sugar prices jumped by at least Rs. 10 per kg in the market after the government decided to increase import duty on the sweetener and continue with the export subsidy to give relief to the industry that owes Rs. 15,000 crore to sugarcane growers.
- Market sentiment was affected as the government announced a slew of measures for millers, including an additional interest-free loan of up to Rs. 4,400 crore.
- At a meeting convened by Union Food Minister Ram Vilas Paswan, it was decided to raise sugar import duty to 40 per cent from 15 per cent and provide export subsidy of Rs. 3,300 per tonne till September this year.

Disinvestment target likely to be revised

- With stock markets on an upturn and SEBI pushing for minimum 25 per cent public holding in PSUs, the Disinvestment

Department is likely to revise upwards from the Rs.51,925 crore PSU stake sale target for the current fiscal.

- The new government is eyeing higher funds from PSU stake sales. There will be some companies which will be fast tracked for stake sale in the current fiscal in view of 25 per cent public holding norm.

Centre to collaborate with States to fight inflation

- To keep a check on inflation in the wake of a weak monsoon, Prime Minister Narendra Modi pushed for “proactive” coordination between the Centre and States in implementing contingency plans and asked the States to set up fast-track courts to sternly deal with hoarders.
- At a high-level inter-ministerial meeting convened by him to discuss food security and monsoon situation, the Prime Minister reviewed the availability of water and seeds and directed that fodder grids be formed for a long-term solution to the problem of drying grazing lands for livestock in rain-fed areas.

The meeting, attended among others by Union Ministers Rajnath Singh, Arun Jaitley, Ram Vilas Paswan, Radha Mohan Singh and Uma Bharti, decided to extend by three months the period till when States should implement the National Food Security Act, which provides for concessional foodgrains to 75 per cent identified beneficiaries. Earlier, State governments had to implement the Act by July 4, 2014, within 365 days of it coming into force (on July 5, 2013). Only five States are ready for implementation of the Act.

- It gave a go-ahead for setting a minimum export price of \$450 per tonne for potato to discourage exports and check the rising

price of the tuber. Onion supplies have improved over the last week easing prices, but the price of potato has gone up by about 30 per cent compared to last year. India exports between one to two lakh tonne potatoes annually.

- Monsoon has so far been delayed in parts of Karnataka, Andhra Pradesh, Maharashtra and Gujarat, hitting kharif sowing in paddy and cotton. It was informed at the meeting that monsoon will revive by July 7 and the El-Nino effect in August-September will be lower than initially expected.
- Steps to tackle inflation were yielding results and the Agriculture Ministry was ready with a contingency plan for 500 districts in case the monsoon failed to revive, the Prime Minister was informed.
- The government announced only a modest hike in the minimum support price of paddy and pulses to contain inflation.

Ranbaxy gets FDA nod

- Ranbaxy Laboratories has received approval from the U.S. Food and Drug Administration (FDA) to launch a cheaper copy of Novartis AG’s blood pressure pill Diovan, bolstering its outlook after a raft of regulatory bans for poor production quality at its India facilities dented investor sentiment.
- Ranbaxy, which is in the process of being acquired by Sun Pharmaceutical Industries for \$3.2 billion, will be the first rival drugmaker to launch a copy of Diovan in the United States, and will be entitled to six months of exclusivity to sell it.
- The drug, whose chemical name is valsartan, should add about \$200 million to Ranbaxy’s sales and \$100 million to its profit after tax during the exclusive sale

period, said Praful Bohra, a senior research analyst at Mumbai-based brokerage Nirmal Bang.

- Swiss firm Novartis's once-best selling drug Diovan lost patent protection in September, 2012, but it has been spared generic competition because Ranbaxy, which holds the right to launch the first generic of Diovan, was struggling with quality control issues at its manufacturing sites.
- The FDA has banned all of Ranbaxy's India-based plants under a wider scrutiny of the country's \$15-billion pharmaceutical industry, which is the largest supplier of medicines to the United States.

ONGC plans to invest

Rs.5,700 cr

- Oil and Natural Gas Corp (ONGC) said it would invest over Rs.5,700 crore in re-development of its giant Mumbai High (North) oil and gas field off the west coast. The project will yield an incremental 6.997 million tonnes of crude oil and 5.253 billion cubic metres of gas by 2030, the company said in a statement here.
- The board of ONGC approved the proposal for re-development of its giant offshore field, Mumbai High (North), involving a capital investment of Rs.5,706.47 crore, including foreign exchange component of Rs.4,421.76 crore.
- The project is designed to carry forward the success of the previous two editions of re-development projects of the fields that were discovered four decades ago. This will give a new lease of life to the giant field.

Price Stabilisation Fund Scheme may be modified

- The Union Commerce Ministry is trying

to modify the Price Stabilisation Fund Scheme so as to lower the price threshold at which the fund gets activated. The Rs.500-crore Fund, which lapsed in 2013, is being re-launched, according to a Union Commerce Ministry official.

- The commodity fund was established in 2003 to help industries engaged in producing four commodities — tea, coffee, tobacco and natural rubber. The idea behind setting up the fund was to help the trade stay in business by extending them support if there is a drop in their commodity prices... the idea was to establish India as a reliable supplier in the international markets.
- As per current rules, prices of certain commodities have to drop 20 per cent in international markets for the fund to kick in. This was considered stringent, and the Commerce Ministry has never had to operate the fund. Now a move is afoot to revive the fund and lower the threshold to 10 per cent.

American pharma companies favour dialogue with India

- Top executives of American pharma companies favour 'dialogue' with India and 'not confrontation' to address their concerns on key issues like the protection of intellectual property (IP) and clinical trials.
- Arguing that global pharma companies share the same goal of 'patient first' with that of the Indian government, corporate executives attending the day-long 'U.S.-India BioPharma and Healthcare Summit', organised by the USA-India Chamber of Commerce.
- While asserting there can be no compromise on IP protection issues, executives from top U.S. pharma companies said that they were willing to

work with India like — tier pricing — to come out with a solution, which is acceptable to both parties.

Top 10 Global Markets for Australia

- India has figured among the top 10 markets for the international business community as per Australia's International Business Survey.
- India has also emerged as the most challenging of the top 10 countries to do business with.
- AIBS 2014, a comprehensive study of Australian companies involved in international business, was released recently.
- It found that India ranked as ninth important market currently. The country was also seen as the third important future market, with respondents saying they were planning on doing business in/ within the next two years.
- The survey captured data from more than 1,600 Australian businesses, reflecting the opinions of a wide range of firms from diverse industries operating in over 120 markets.
- The United States (chosen by about 15 per cent), India (six per cent) and the United Kingdom and Indonesia (five per cent each) make up the remainder of the top five most important future target markets.
- The survey found that the most important market for international business for the participants varied by the industry.
- Education and Training industry stood as the most important market for Australian international business community when it came to India.
- On the list of top most important overseas markets in terms of international revenue, India stood at the ninth position, while US and China took the first and second rank respectively.

- On rating the ease of doing business in their most important markets as compared to Australia, only 9 per cent of businesses perceived India as an easier or much easier market than Australia, with 81 per cent regarding it as more or much more difficult.

Sino-Russia strategy

- Russia is intensifying its shift towards China as Russia's relations with the West have sunk to their post-Cold War low over the Ukraine crisis.
- China has refused to condemn Russia's takeover of Ukraine's Crimea and has adopted what experts called "positive neutrality" over the conflict.
- The two countries are expected to sign a "fantastic package" of more than 40 agreements when President Vladimir Putin travelled to Shanghai recently for a two-day state visit and participation in a regional security summit.
- Mr. Putin and his Chinese counterpart, Xi Jinping, will oversee the start of joint war games in a sign of closer defence ties between the two countries. At least 16 Russian and Chinese warships will train together in the East China Sea, where China is locked in a bitter territorial dispute with Japan.
- Russia and China will undertake eight "strategic projects" in space, rocket engines, aviation and infrastructure.

E-auction of Iron ore

- The Goa Mines and Geology Department will hold its third e-auction of iron ore on May 12, wherein six lakh tonnes of ore, lying at jetties and the Mormugao Port Trust (MPT) would be e-auctioned.
- The State, through MSTC Ltd., has auctioned 1.62 million tonnes of iron ore through two e-auctions in February and

March, realising around Rs.260 crore, which would go to the State treasury.

- These e-auctions are held under the supervision of a Supreme Court-appointed monitoring committee, headed by U. V. Singh.
- The Supreme Court, partially relaxing its October 5 ban on iron ore activities in the State, in December last had permitted the Goa Mines Department to auction about 15 million tonnes of iron ore lying at jetties, mining leases, plots, beneficiary plants and port, all under the supervision of its committee.
- However, on April 21, the apex court lifted its ban on mining activities, but putting a cap of 20 million tonnes for annual production and ruling that since the renewal of all the deemed mining leases in the State had expired on November, 2007, and the operations carried out, thereafter, have been termed illegal, the mining lessees will not be entitled to the sale value of the ore sold in e-auction but to the approximate cost (not actual cost) of the extraction of the ore.
- Making government the custodian of the money collected through e-auction, the court directed the State to pay 50 per cent of wages of all the workers who were laid off or were not paid salaries since the time the mining operations were suspended.

World's top Brand

- Google has knocked Apple off the perch as the world's top brand in terms of value in the latest rankings released by global market research agency Millward Brown.
- The internet search giant may occasionally tick off the public and regulators across the globe with regards to its data collection activities but it hasn't dented its brand value, according to Millward Brown's 2014 100 Top BrandZ report.

- Google's brand value shot up 40 per cent in a year to \$US158.84 billion (\$A171.86bn), while Apple has seen its brand value drop by 20 per cent to \$160bn.
- As the report highlights, Samsung, HP and Sony -- all product-dominated companies -- have put in a far less impressive performance than the likes of Tencent, Facebook and Baidu.
- The latter are up 97 per cent, 68 per cent and 46 per cent respectively, while the former have moved up 21 per cent, 19 per cent and, in Sony's case, a drop of 1 per cent.
- Meanwhile, Twitter and LinkedIn are the latest entrants into the top 20 list, with brand values of \$14bn and \$12bn respectively.

Metro AG

- German retailer Metro AG plans to have 50 wholesale stores in India by 2020 and make the country one of its 'focus expansion' markets alongside Russia, China and Turkey.
- India has always been an important future growth market of Metro .
- The Dusseldorf-based company was the first global player to enter the cash-and-carry wholesale segment in India, back in India. It currently operates 16 outlets in the country.

Prepayment fee on floating rate term loans

- The Reserve Bank of India (RBI) said that banks cannot levy charges on individual customers if they choose to close their floating rate loans.
- Some banks charge a fee if an individual borrower chooses to close his or her loan. This fee varies from bank to bank, and is mostly in the range of 1-3%.

- In its first bi-monthly monetary policy review on 1 April, RBI had indicated that in the interest of their consumers, banks should consider allowing their borrowers the possibility of prepaying floating rate term loans without any penalty.
- Accordingly, it is advised that banks will not be permitted to charge foreclosure charges/pre-payment penalties on all floating rate term loans sanctioned to individual borrowers.

No Special trade benefits for Russia

- U.S. President Barack Obama intends to withdraw special privileges granted to Russia because the country is too economically advanced to need preferential treatment reserved for less developed countries.
- Mr. Obama notified Congress that he intends to remove Russia from the Generalised System of Preferences (GSP) programme as Moscow is "sufficiently advanced" to warrant any preferential treatment.
- Once Russia's eligibility is withdrawn, which would be effected via a presidential proclamation, U.S. imports of GSP-eligible goods from Russia will be subject to normal, non-preferential rates of duty.
- The purpose of the programme, which allowed \$19.9 billion in imports to enter the U.S. duty-free in 2012, is to assist developing countries to use trade to boost their economic development.
- Russia has advanced beyond the level of economic development and competitiveness for GSP eligibility. As such, Russia should no longer qualify to receive GSP benefits.

'Global 2000'

- Mukesh Ambani-led Reliance Industries leads the pack of 54 Indian companies in

Forbes' annual list of the world's 2000 largest and most powerful public companies, with Chinese companies occupying the top three slots on the list.

- The Forbes 'Global 2000' is a comprehensive list of the world's largest, most powerful public companies, as measured by revenues, profits, assets and market value.
- China is home to the world's top three biggest public companies and five of the top 10.
- The US retains its dominance as the country with the most Global 2000 companies at 564.
- Japan trails the US with 225 companies in aggregate.
- India is home to 54 of the world's biggest companies.
- Reliance Industries is ranked 135 on the list with a market value of 50.9 billion dollars and 72.8 billion dollars in sales as on May 2014.
- Reliance is followed by State Bank of India which is ranked 155 and has a 23.6 billion dollars market value.
- The other Indian companies on the list are Oil and Natural Gas ranked 176, ICICI Bank (304), Tata Motors (332), Indian Oil (416), HDFC Bank (422), Coal India (428), Larsen & Toubro (500), Tata Consultancy Services (543), Bharti Airtel (625), Axis Bank (630), Infosys (727), Bank of Baroda (801), Mahindra & Mahindra (803), ITC (830), Wipro (849), Bharat Heavy Electricals (873), GAIL India (955), Tata Steel (983) and Power Grid of India (1011).
- Also making the list are Bharat Petroleum (1045), HCL Technologies (1153), Hindustan Petroleum (1211), Adani Enterprises (1233), Kotak Mahindra Bank (1255), Sun Pharma Industries (1294), Steel Authority of India (1329), Bajaj Auto

(1499), Hero Motocorp (1912), Jindal Steel & Power (1955), Grasim Industries (1981) and JSW Steel (1990).

Issue of Natural Gas Export

- A bi-partisan group of 22 American senators have expressed reservation on the export of natural gas to Asian countries such as India and China, arguing that such a move by Obama Administration would result in an increase in cost for consumers and businesses at home.
- They said the "large-scale exports of natural gas to Asia could also jeopardize America's goal of achieving energy independence, a goal made more achievable by the recent increase in domestic gas production".
- The senators urged Mr. Obama to consider the impacts on American manufacturing and families that rely on natural gas.
- The recent approval for export of liquefied natural gas from a sixth export facility has meant that the total approved exports now exceeds the amount of gas currently being used in every single American home and commercial business.
- The exports well exceeds the high export scenario referenced by a Department of Energy study in 2012 that indicated prices could increase by up to 54 per cent and it would translate into more than \$60 billion a year in higher energy costs for American consumers and businesses.

U.K. rich list

- India-born Hinduja brothers have emerged as Britain's richest, valued at £11.9 billion, in the Sunday Times' annual list of the super rich.
- Gopichand and Srichand Hinduja run the multinational Hinduja Group with

interests across automotive, real estate and oil.

- Arsenal shareholder and Russian tycoon Alisher Usmanov fell to second place after his estimated fortune dropped to £10.65 billion. He is followed by Laskshmi Mittal with £10.25 billion, registering a growth of £250 million.
- London now has the most billionaires for any city with 72. The total number for U.K. has crossed 100 for the first time to reach 104 billionaires with a combined wealth of over £301 billion. The next most prosperous city in the world is Moscow with 48 billionaires, just ahead of New York and San Francisco.
- The Duke of Westminster is the richest Briton with around £8.5 billion and is ranked 10th.

Automatic tax information

- As they continue their efforts to clamp down on the menace of black money, India and other countries will have to wait at least till 2017 before the new global standard for automatic exchange of tax information comes into effect.
- India, Switzerland and 45 other nations had agreed upon automatic exchange of tax information, which is seen as a major step forward in global efforts against banking secrecy practices.
- Paris-based Organisation for Economic Cooperation and Development (OECD) sets the global tax standards and frames conventions against tax frauds, among others.
- The new standard, expected to be finalised in September this year, provides for exchange of information on bank account balances, interests, dividends, other financial income and sales proceeds to compute possible capital gains.
- By becoming part of the declaration, these



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countries have committed to implementing automatic exchange of tax information. The declaration also comes as a boost for India, which is making efforts to get details from Switzerland on alleged illicit funds stashed away by Indians there.

- Automatic exchange of information would allow for "collecting all bank information on non-resident to pass this information on to the countries of residence of these taxpayers so that they can no longer hide money on offshore accounts.
- The standard was developed at the OECD and endorsed by the G20 Finance Ministers.

Agreement between TCS and Mitsubishi

- India's largest software services firm Tata Consultancy Services (TCS) has signed an agreement with Japanese major Mitsubishi Corporation to form a single IT services unit.
- The merger, in which TCS will hold 51 per cent stake and Mitsubishi 49 per cent, will create a new IT services company of significant scale in the Japanese market with annual turnover of over \$600 million.
- ITF brings its long-standing relationships with Japanese corporations, talented work-force and competencies in industries like retail, distribution and trading.
- This will complement TCS' deep domain knowledge, technology expertise and strong execution track record.
- TCS' Global Network Delivery Model (GNDMTM) capabilities will also enable the Japanese corporations' globalisation ambitions.
- The company will provide tremendous

additional value to clients in Japan, while employees will secure the advantages of building their careers in a global organisation.

Cadbury India is now Mondelez India Foods Ltd

- Cadbury India, a subsidiary of Mondelez International, today changed its name to Mondelez India Foods Limited.
- The change in name of Cadbury is in line with the gradual changeover of the name of all subsidiaries of Mondelez International globally, the company said in a statement.
- However, the company said change in name of the company will have no impact on the names or packaging of its products like Cadbury Dairy Milk, 5 Star, Gems, Bournville, Perk, Celebrations, Choclairs, Halls, Bournvita, Tang and Oreo, which will continue to be sold under the same brand names as before.
- From now onwards, the new name of the company will appear on the back of the products.

Novartis to buy Glaxo's cancer drugs

- Novartis AG agreed to buy GlaxoSmithKline Plc's (GSK's) cancer-drug business for as much as \$16 billion, form a consumer-health venture with GSK and sell its animal-health operations to Eli Lilly and Co. for \$5.4 billion in an overhaul of the Swiss drug maker.
- Novartis also will sell its vaccines business, excluding the flu operations, to GSK for \$7.1 billion, the Basel, Switzerland-based company said in a statement on Tuesday. That includes royalties and as much as \$1.8 billion payments based on the achievement of certain business goals.
- The transactions culminate a process that

began last year when Novartis chief executive officer Joe Jimenez began reviewing the company's smaller businesses for possible sale.

- GSK and Novartis's consumer-health venture will have about £6.5 billion (\$10.9 billion) in revenue, GSK said. GSK will have majority control, with an equity interest of 63.5%.
- The venture brings together brands including Novartis's Excedrin painkiller and GSK's Sensodyne toothpaste. GSK's vaccines purchase will add Bexsero for meningitis to its Cervarix for human papillomavirus.

TCS amongst top 10 global IT services companies

- In a positive note to Indian IT industry, India's largest IT services provider, Tata Consultancy Services (TCS), has broken into the league of top 10 global IT services companies, moving from the 13th position in 2012 to the 10th spot in 2013.
- Twelve years ago, when TCS' revenues were about \$1 billion, then CEO S Ramadorai had laid out a vision to be among the top 10 by 2010.
- According to experts, It's taken a little longer, partly because of the global financial slump of 2008-09, but the company has now got there, and considering the pace at which it is growing compared to its global counterparts, the ranking could get better fairly quickly in the years to come.
- TCS is estimated to have IT services revenues of \$10.1 billion (out of its total revenues of about \$12.5 billion). IBM (\$54.4 billion), Fujitsu (\$32.1 billion), Hewlett-Packard (\$29.2 billion) and Accenture (\$25.4 billion) lead the list.
- The research compares IT services, and

excludes other areas such as BPO, R&D services and software/hardware products. And it uses figures for the four quarters of calendar year 2013. TCS rose to the 10th spot displacing Montreal-based IT services firm CGI.

- India-based companies Cognizant, Infosys, Wipro and HCL are at the 15th, 18th, 20th and 25th positions, respectively, all of them rising by one to three spots compared to 2012. HfS Research believes that Cognizant could be in the top 10 in the next 2-3 years, may be at the expense of US IT company CSC. CSC's revenues last year had dropped compared to the year before.

Centralised bill payment system

- An RBI panel made a case for centralised bill payment system catering to different financial instruments, like cheques, debit cards and mobile banking.
- In order to ensure uniform and efficient implementation of operations of the bill payments system in the country, standards have to be set for process standards, business standards for establishing the relationship between all entities, and information exchange standards for transactions as well as settlements.
- The RBI has sought comments on the Report of the GIRO Advisory Group till May 25. This centralised bill payments system, it said will provide accessible services across all parts of the country through a strong network of operational units/agents who will ensure in making this service accessible in urban as well as rural areas.
- The report further said the standard setting role/ function has to be distinct from the operational aspects of the bill payments system.

- Currently, the payment system in the country offers a variety of payment instruments to the public, like cheques and various e-payment modes in the form of credit cards, debit cards, pre-paid payment instruments (including mobile wallets) issued by both banks and authorized non-bank entities.

Russia's new credit rating

- The Standard & Poor's credit agency has recently cut Russia's credit rating for the first time in more than five years, citing the capital flight and risk to investment in the wake of the Ukraine crisis.
- Russia's economic growth slowed to 0.8 percent in the first quarter - sharply worse than earlier forecast - while spooked investors pulled about \$70 billion out of the country in 2013. However, the cut in Russia's rating from BBB to BBB- is the most tangible economic result of Russia's policies toward Ukraine so far.
- BBB- is just a step above a speculative or non-investment grade.
- S&P said in a statement that they revised Russia's rating because the tense situation "could see additional significant outflows of both domestic and foreign capital from the Russian economy."
- Rating agencies had not cut Russia's sovereign rating since December 2008.

FII inflows for 2014

- Amid hopes of a stable and reform oriented government after general elections, net investments by foreign institutional investors into India so far this year has reached \$10 billion level, while their cumulative total inflows into the country is nearing \$200 billion mark.
- According to the latest data compiled by capital markets regulator SEBI, the net investments by FIIs into Indian equity

markets since the beginning of 2014 have crossed \$ 5 billion (over Rs. 30,000 crore), while the same for debt markets also stands near \$5 billion (about Rs. 29,000 crore) - taking the total to close to Rs. 60,000 crore.

- This includes net investments of about Rs. 1,500 crore so far in April. This is despite a net outflow of about Rs. 7,000 crore from debt markets, as equity markets have seen a net inflow of over Rs. 8,500 crore this month till April 25, the latest trading session.
- According to market analysts, FIIs are bullish on India and they are expecting a stable government emerging post-elections.
- FIIs, the main driver of the equity market, have helped pushed up the benchmark BSE Sensex by over 7 per cent so far in 2014 and is now being seen as moving closer to 23,000 mark.

Samsung infringed patents of Apple?

- A California jury awarded Apple \$119 million far less than it demanded in a patent battle with Samsung over alleged copying of smartphone features, and the jury made the victory even smaller by finding that Apple illegally used one of Samsung's patents.
- The verdict was a far cry from the \$2.2 billion Apple sought and the \$930 million it won in a separate 2012 trial making similar patent infringement claims against older Samsung products, most of which are no longer for sale in the United States.
- The jury found that Apple had infringed one of Samsung's patents in creating the iPhone 4 and 5. Jurors awarded Samsung \$158,400, trimming that amount from the original \$119.62 million verdict. Samsung had sought \$6 million.
- Unlike the first trial in San Jose federal

court in 2012, Samsung lawyers made Google a central focus of their defence. Google makes the Android software that Samsung and other smartphone manufacturers use as their operating systems. Samsung argued that Google was Apple's real target.

- More than 70 percent of smartphones run on Android, a mobile operating system that Google Inc. has given out for free to Samsung and other phone makers
- The verdict marked the latest intellectual property battle between the world's top two smartphone makers. Apple and Samsung have sued each other in courts and trade offices around the world.
- Apple and Samsung are locked in a bitter struggle for dominance of the \$330 billion worldwide smartphone market. Samsung has become the leader of the sector with a 31 percent share after being an also-ran with just 5 per cent in 2007. Apple, meanwhile, has seen its market share slip to about 15 per cent from a high of 27 per cent three years ago.

Japan's jobless rate

- Japan's unemployment rate was flat at 3.6 per cent in March.
- The number of jobless declined in March for the 46th consecutive month, falling by 340,000 from a year earlier to 2.46 million people, according to the Ministry of Internal Affairs and Communications .
- Manufacturers added 190,000 jobs to reach 10.61 million on payrolls, and medical and welfare services saw an increase of 210,000 employees to 7.48 million, while transport and mailing industries eliminated 110,000 positions to 3.32 million.

IPR laws defended by India

- Stressing that its IPR regime complies

with international laws, India bluntly said it will not take part in any unilateral investigation by the US on its intellectual property rights.

- A day after the US Trade Representative (USTR) released its Special 301 report, which kept India out of the Priority Foreign Country list, Commerce Secretary Rajeev Kher said all issues between the two countries, including those related to IPR, should be discussed at the Trade Policy Forum. The US-India Trade Policy Forum is the principal platform for dialogue between the countries, with focus groups on agriculture, investment, IPR, services and tariff and non-tariff barriers.
- India has clearly conveyed to the US that the government of India will not subject itself to the investigations. The secretary said India has addressed all concerns of US pharma companies with regard to compulsory licenses (CL), ever-greening of patents, data exclusivity and patent linkage.
- The US industry had raised the matter of India's rejection of patents for Bristol-Myers Squibb's Sprycel and Novartis AG's Glivec.

Pressure on Switzerland to disclose bank info

India has strongly objected to Switzerland's denial of information about account details of certain Indians at HSBC's Swiss bank branches, in whose cases "incriminating evidence of tax evasion" have been found .

- In a strongly-worded letter to his Swiss counterpart, Finance Minister P. Chidambaram has also warned that an effective exchange of tax-related information was "extremely important" for economic co-operation between the

two countries and Switzerland must honour its "rights and duties" agreed to in their bilateral Direct Tax Avoidance Convention (DTAC).

- Mr. Chidambaram also said that the interpretation made by Switzerland that it can not share information as per India's request was not in accordance with international standards.
- Under global pressure, Switzerland has agreed to ease its banking secrecy laws in recent years and it also signed a revised tax treaty with India in 2011 to facilitate greater flow of information about alleged black money.
- However, it has refused to share information with India about the accounts mentioned in the so-called 'HSBC list' which India had received from France through a bilateral treaty.

Exim Bank's PDC in Africa

- Export-Import Bank of India (Exim Bank) plans to set up a project development company (PDC) in Africa, with the participation of State Bank of India (SBI), IL&FS and African Development Bank.
- The new company will essentially look to bring infrastructure projects in Africa to a bankable stage and facilitate exports from India to Africa. This is the first time Exim Bank is looking to set up a PDC and also the first time in Africa.
- Meanwhile, the bank announced a net profit of Rs. 710 crore during the financial year 2013-14. The bank restructured assets worth Rs. 1,400 crore in 2013-14 and it said that it has assets worth Rs. 400 crore in the restructuring pipeline.
- 189 LOCs, covering 75 countries in Africa, Asia, CIS, Europe and Latin America, with credit commitments aggregating \$ 10.33 billion are currently available for

utilisation, while a number of prospective LOCs are at various stages of negotiation.

Third largest economy

- In a matter of six years, India emerged as the world's third-largest economy in 2011 from being the tenth largest in 2005, moving ahead of Japan, while the US remained the largest economy closely followed by China.
- According to the major findings of the ICP, six of the world's 12 largest economies were in the middle-income category. Nigeria account for about half of the African economy. At 27 per cent, Ccategory (based on the World Bank's definition).
- When combined, the 12 largest economies accounted for two-thirds of the world economy and 59 per cent of the population.
- The purchasing power parities (PPPs)-based world GDP amounted to USD 90,647 billion, compared with USD 70,294 billion measured by exchange rates, adding that the share of middle-income economies in global GDP is 48 per cent when using PPPs and 32 per cent when using exchange rates.
- The six largest middle-income economies - China, India, Russia, Brazil, Indonesia and Mexico - account for 32.3 per cent of world GDP, whereas the six largest high-income economies - US, Japan, Germany, France, UK and Italy - account for 32.9 per cent.
- China and India make up two-thirds of the Asia and the Pacific economy, excluding Japan and South Korea, which are part of the OECD comparison. Russia accounts for more than 70 per cent of the CIS, and Brazil for 56 per cent of Latin America. South Africa, Egypt, and China has the largest share of the world's

expenditure for investment (gross fixed capital formation) followed by the US at 13 per cent.

- China and India account for about 80 per cent of investment expenditure in the Asia and the Pacific region.
- The five economies with the highest GDP per capita are Qatar, Macao, Luxembourg, Kuwait and Brunei.
- Eleven economies have more than USD 50,000 per capita, while they collectively account for less than 0.6 per cent of the world's population. The US has the 12th-highest GDP per capita.
- The five economies with highest actual individual consumption per capita are Bermuda, US, Cayman Islands, Hong Kong and Luxembourg.

Black Money case

- After resisting for more than three years, the Centre has revealed names of 18 persons in the Supreme Court who allegedly stashed black money with LST bank in Liechtenstein and against whom prosecution have been launched by the Income Tax department.
- The names, listed in Centre's affidavit, include Mohan Manoj Dhupelia, Ambrish Manoj Dhupelia, Bhavya Manoj Dhupelia, Manoj Dhupelia and Rupal Dhupelia from Ambrunova Trust and Marline Management.
- Centre said that IT department also found evidence against against four members of Manichi Trust - Hasmuk Ishwarlal Gandhi, Chintan Hasmukh Gandhi, Madhu Hasmukh Gandhi and Late Mirav Hasmukh Gandhi. It said that prosecution has been initiated against Chandrakant Ishwarlal Gandhi, Rajest Chandrakant Gandhi, Viraj Chandrakant Gandhi and Dhanalaxmi Chandrakant Gandhi from Ruvisha Trust.

- Notwithstanding the Supreme Court order in 2011 to make public the names of account holders in LGT bank received by it in 2009 from German tax authorities, Centre has not done so, drawing the ire of the apex court.

Export of Gems & jewellery

- India's gems and jewellery exports dropped 11% in the last fiscal from a year before to \$34.74 billion, mainly because outbound shipments of gold jewellery and medallions tumbled due to curbs on raw material supplies.
- Importantly, the annual exports of gems and jewellery dropped at an even faster pace in March, by 28.1% to \$4.37 billion, the data revealed. Gold jewellery and medallion exports crashed 39.5% in the last fiscal to \$11,045.92 million from a year earlier.
- Jewellers and industry executives said high premiums, 10% customs duty and restrictions on gold supplies have raised raw material costs for domestic jewellers, driving down exports. While a 40% plunge in gold and silver imports helped reduce the CAD last fiscal, a drop in gems and jewellery exports can be counter-productive, especially for the jewellery manufacturing sector.
- To control the CAD, the government raised the import duty on the precious metal three times last year to 10% from 4% and the RBI mandated that at least one-fifth of the imported gold be kept aside for re-exports. The RBI also directed that no fresh tranche of imports by a trader would be allowed until 20% of the previous imported volume is exported after value addition, also aimed at promoting exports.

Shares fall over Ukraine Crisis

- Shares fell in Asia as investors remained wary of mounting violence in Ukraine, while awaiting a raft of financial indicators due later in the week.
- Japan's benchmark Nikkei 225 stock index fell 1.2 percent to 14,257.37, while Hong Kong's Hang Seng Index was 0.4 percent lower at 22,142.16.
- Shares in New Zealand, Taiwan, China, India and Singapore also fell, though South Korea's Kospi added 0.2 percent to 1,975.68 and Australia's S&P ASX 200 gained 0.1 percent to 5,534.30.
- The U.S. was preparing to levy fresh sanctions against Russia for Moscow's failure to uphold terms of an agreement with the U.S., the European Union and Ukraine that calls for Moscow to withdraw Russian forces from the border with Ukraine and encourage pro-Russian militia to turn over buildings they're occupying in eastern Ukraine.
- Meanwhile, pro-Russian gunmen turned to kidnapping, taking dozens hostage, including journalists, pro-Ukraine activists and European military observers.
- Worried investors have been shifting from riskier assets into traditional havens like bonds, gold and mainstay equities like utilities, sapping markets of their earlier upward momentum.

Global Trade to increase

- Global trade is expected to increase by 4.7 per cent in 2014, better than the average of 2.2 per cent in the past two years, on the back of projected improvements in the developed economies, according to the World Trade Organisation (WTO).
- The world trade growth is projected to accelerate to 5.3 per cent in 2015.
- Although the 2014 forecast of 4.7 per cent is more than double the 2.1 per cent increase of last year, it remains below the

20-year average of 5.3 per cent. For the past two years, growth has averaged only 2.2 per cent.

- The sluggish pace of trade growth in 2013 was due to a combination of flat import demand in developed economies (0.2 per cent) and moderate import growth in developing economies (4.4 per cent).
- On the export side, both developed and developing economies only managed to record small, positive increases (1.5 per cent for developed economies and 3.3 per cent for developing economies).
- In 2013, the dollar value of world merchandise exports rose 2.1 per cent to \$18.8 trillion, while the value of world commercial services exports rose 5.5 per cent to \$4.6 trillion.
- The trade forecast for 2014 is premised on an assumption of 3 per cent growth in world GDP growth at market exchange rates, while the forecast for 2015 assumes output growth of 3.1 percent.

March Inflation at 5.7 per cent

- Snapping the declining trend, the inflation rose to a three month high of 5.7 per cent in March mainly due to spurt in prices of food items like potato, onion and fruits.
- The inflation in the food items, based on the wholesale price index (WPI), shot up by 9.9 per cent in March as against 8.12 per cent in the previous month.
- The overall WPI inflation, which was on decline since December, had dropped to a nine-month low of 4.68 per cent in February.
- The government further said the build up of inflation rate in the 2013-14 financial year was 5.70 compared to a build up rate of 5.65 per cent in the earlier fiscal.
- The data further revealed that prices of sugar, pulses, cereals, cement and minerals eased in March compared to the

previous month.

- Inflation in the fuel and power category (LPG, petrol and diesel) rose to 11.22 per cent versus 8.75 per cent in February.

Pact between Green Trend and Bharatiya Mahila Bank

- Trends in Vogue, Cavinkare's arm that manages unisex hair salon network Green Trends, and Bharatiya Mahila Bank (BMB) have entered into a pact that seeks to make the entrepreneurial plunge easier for women.
- Budding women entrepreneurs who take up a franchisee of Green Trends (GT) can get two-thirds of their total investment (Rs.40-50 lakh) financed by BMB without any collateral.
- Collateral security is the key in getting loans from banks for entrepreneurs. This agreement will help all prospective franchisees, especially women, across the country to get collateral-free loans.
- The company helps franchisees choose right location, get good realty deal and select right vendors for supplying equipment and systems. It has lined up a string of vendors who could do the works in salons at a competitive rate than others.

El- Nino and it's impact on Indian economy

- Recently, private forecaster Skymet predicted a sub-normal monsoon in India, courtesy El Nino that's threatening a wide-spread devastation globally. Given the fears of an imminent drought, the next government has a tall task ahead of it
- The Skymet CEO feels an equitable distribution of rains can be a silver lining in this situation. According to him, there is a 40% chance that rainfall in June-September would be less than average, a 25% chance of a drought and zero percent

chance of excess rains.

- The impact of El Nino need not be source of concern for staples. Its impact on food prices is expected to be minimal as India has sufficient stock of cereals. Most fruits track 30% import duty, if that is brought down, it can be controlled too.
- Staple inflation is never a problem, but soaring prices of fruits, vegetables, pulses, fruits etc are.
- By June-July the monsoon effects will begin to feed into the households and market.
- Statistically India has faced drought every 4.4 years. All El Nino years were not necessarily drought years, though the opposite is true. Since last drought in India was in 2009, this year can be a drought year. There is a consensus among the experts that if the next government manages to keep the lid on fiscal deficit, and if RBI governor Raghuram Rajan keeps his promise on rates, India may avert El-Nino devastations.

IFFCO to set up urea Plant in Canada

- Leading fertiliser cooperative IFFCO said that its subsidiary received permission from the provincial government of Quebec to set up a \$ 1.6 billion urea plant.
- The proposed facility will have a production capacity of up to 1.6 million tonnes of urea and 7,60,000 tonnes of diesel exhaust fluid (DEF).
- The estimated project cost of \$ 1.6 billion is based on the most recent feasibility study.
- La Coop fr an agri-food organisation in Quebec that is one of the project shareholders, has agreed to purchase some 5,00,000 tonnes of urea a year for distribution across the province, Canada and several US states.
- In January 2013, IFFCO's Canadian

subsidiary acquired the land for the plant. The site is at Bncour Port and Industrial Park, which provides access via land, rail and water to markets across North America.

- The deep-water port will also facilitate exports, especially to markets in Europe. Quebec province, Canada's largest, is located in the east-central region of the country.

Universal numbers to be allotted by EPFO

- Retirement fund body EPFO will provide permanent or universal account numbers (UAN) on the pattern of core banking services to its over five crore active subscribers by October 15 this year.
- Under core banking services, a customer can avail the bank services in any of its branch through his allotted unique account number.
- The UAN will facilitate subscribers in avoiding filing of PF transfer claims on changing jobs.
- UAN will be allotted to the present active members by October 15, 2014 and thereafter the coverage of other members will be taken up.
- After getting UAN, a subscriber would not be issued new PF account number on joining new firm. It is expected to provide great relief to those workers in organised sector who frequently change jobs, particularly, in construction sector.
- The UAN would be one account number which would be allotted to a subscriber for various schemes run by the EPFO for his entire service period with different employers.

Introduction of minimum wage in Switzerland

- Swiss voters have rejected a proposal to

introduce a mini-mum wage of 3,000 Swiss francs per month (4,500 dollars).

- 77 per cent of voters cast ballots against the measure.
- At 25 dollars an hour, it would be the highest minimum wage in the world.
- The referendum was launched by left-wing parties and trade unions, which argued that such a salary was necessary for making a decent living in Switzerland, where the cost of living is among the highest in Europe.
- The government and employers associations had campaign-ed against the plan, warning that companies would shift operations to neighbouring countries and Switzerland's important tourism sector would suffer.

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Communicated monetary policies

- ◆ Calibrated and clearly communicated monetary policies will build trust and improve business sentiments across the world by leaving little room for speculations, according to the Economic Affairs Secretary Arvind Mayaram.
- ◆ Recent risks of very low inflation in euro areas might demand use of appropriate tools in the coming time to thwart deflation tendencies.
- ◆ Mr Mayaram represented India during the ongoing spring meet of the International Monetary Fund and the World Bank.
- ◆ In terms of exchange rate policy, while flexible exchange rates are desirable, a cautious approach should be followed before going for currency revaluations which can result in trust deficit and currency wars.

Electronic Travel Authorisation

- ◆ The move to grant in principle approval for Electronic Travel Authorisation (ETA) to travellers from 180 countries to India will boost tourism in the country, according to the tourism Secretary Parvez Dewan.
- ◆ Travelling to India will be made easy once the ETA to visit the country becomes operational.
- ◆ ETA will allow foreign travellers to apply for a visa from home and receive an online confirmation in five working days, is expected to become operational by October. Barring eight prior reference countries, which include Pakistan, Afghanistan, Iran, Iraq, Somalia, Sudan, Nigeria and Sri Lanka, government has decided to give e-visa to all the 180

countries.

- ◆ India had considerably relaxed its visa regime and expanded the Visa-on-Arrival (VoA) scheme.
- ◆ India launched the VoA scheme in January 2010 for citizens of five countries – Finland, Japan, Luxembourg, New Zealand and Singapore — visiting India for tourism purposes. The scheme was later extended to six more countries in January 2011.

Walmart's online marketplace model

- ◆ In a first for the domestic retail industry, the world's largest retailer, Wal-Mart, plans to set up an online marketplace model in its cash-and-carry stores in the country.
- ◆ The company is entering the wholesale e-commerce space and will extend the business-to-business (B2B) e-commerce platform to its Best Price Modern Wholesale store members.
- ◆ The platform will provide them with a convenient online shopping opportunity. As an exclusive virtual store for its members, the e-commerce platform will provide a similar assortment of products, as well as special items.
- ◆ Online retail, at present, accounts for less than 1% of the total market in India, but this space is slated to grow at 50-55% over the next three years to reach R50,400 crore by 2016, according to a report by Crisil.

Greek bond Issued

- ◆ Greece's Finance Ministry says its first return to the markets in four years has seen strong demand, with the country raising 3 billion euros through five-year bonds at a coupon rate of 4.75 per cent.
- ◆ Nearly 90 per cent of the sale was to international investors.

- ◆ The bond sale is Greece's first since 2010, when it became locked out of the international debt market by high interest rates due to a severe financial crisis. It has been relying on international bailout funds ever since.

Muscle added to IAF Sukhoi

- ◆ MRF is set to emerge as a major supplier of tyres for the Indian Air Force (IAF) as the country's leading tyre maker has now created yet another record of supplying aircraft tyres for the defence.
- ◆ After successfully producing and supplying tyres for Indian defence helicopters, the company has now started supplying indigenously developed tyres for Sukhoi 30 MKI, the most advanced fighter aircraft group in the IAF fleet.
- ◆ Though MRF has been supplying tyres to various vehicles of Defence Forces, its journey to supply aviation tyres began in 2001. After meeting all requirements and securing approvals from various authorities, it started supplying helicopter tyres for Chetak fleet in 2008. In the same year, it took up the project of developing main wheel tyres for Sukhoi 30 MKI.
- ◆ After completion of the tests, the product has been cleared by CEMILAC (The certifying authority for Military aviation) for commercial production in 2012. These tyres are being produced at its facility at Medak (Andhra Pradesh).

Fourth highest billionaires of the world in India by 2023

- ◆ India is projected to be home to the fourth highest number of billionaires in the world by 2023, according to a report which said wealth creation will accelerate in the country over the next decade.
- ◆ The 2014 Wealth Report, an annual global perspective on prime property and wealth

by property management firm Knight Frank, projected that the number of billionaires in India will grow by an exponential 98 per cent to 119 in the year 2023 from 60 billionaires last year.

- ◆ India will rank fourth after US, China and Russia in 2023 and will have more billionaires than the UK, Germany and France, according to the report.
- ◆ The report said that by 2024, Mumbai is also projected to figure in the top 10 global cities.

Switzerland no more the perfect spot for tax evaders

- ◆ Switzerland may no longer be a honeymoon spot for tax evaders. A new international standard of tax data sharing is set to make things harder for tax haven networks around the world that have in the past included Switzerland and tiny island nations and enclaves. But India would have to frame new laws to make use of the new system.
- ◆ The new standard, radically different from the current system, aims to prevent wealth from flowing into financial "black holes" through a systematic global regime of information sharing.
- ◆ Banks and authorities using secrecy laws to evade governments trying to hunt down black money hoarders could lose much of their power. Past offenders, who have so far easily escaped by moving assets, will be in a fix when information about them gets leaked.
- ◆ However, there are some loopholes. Vast amounts of illicit money are concealed through anonymity of contributors in trusts and foundations.

Delhi-Mumbai Industrial Corridor

- ◆ The Maharashtra government formally signed shareholder and state support

agreements for the ambitious Delhi-Mumbai Industrial Corridor (DMIC) project, in Mumbai recently.

- ◆ The project aims at generating industrial output of Rs 20 lakh crore by 2042.
- ◆ DMIC is slated to be developed in two phases, with the project cost for the first phase being Rs 17,319 crore. Maharashtra Industrial Development Corporation (MIDC) and DMIC Trust has formed a joint venture to execute the project, in which MIDC will hold 51% stake, while the remaining 49% will be held by DMIC.
- ◆ The DMIC projects in Maharashtra would cover nearly 29% of land area and 18% project influence area. Around 26% of the state's population would come under the corridor that covers eight districts - Thane, Raigad, Pune, Dhule, Nandurbar, Nashik, Ahmednagar and Aurangabad.

Natco and Indian patent dispute case

- ◆ Natco Pharmaceuticals, the Hyderabad-based drug manufacturer, has won a patent case against Teva Pharmaceuticals of Israel.
- ◆ The New Delhi High Court dismissed Teva's suit seeking an injunction over the marketing of a generic version of multiple sclerosis drug, copaxone (glatiramer acetate) in the U.S. While Teva does not have a patent on the drug in India, the injunction sought to prevent Natco exporting it.
- ◆ The decision could allow Natco to launch generic version of Teva's Copaxone in the U.S., subject to approval from the U.S. Food & Drug Administration (USFDA).
- ◆ The patent on the \$4 billion sales drug, expires in the U.S. on May 24, 2014.
- ◆ Teva sued Natco, seeking an injunction as it alleged Natco's move infringed on its process patent.

Petronas'

Pacific NorthWest project

- ◆ Petronas' plan to build a liquefied natural gas (LNG) terminal on Canada's Pacific coast edged closer to reality, as the Malaysian energy giant secured a third equity and offtake partner for the massive gas export project.
- ◆ India's largest oil refiner also agreed to an offtake deal for 1.2 million tonnes of LNG each year, or about 10 per cent of the project's annual exports.
- ◆ Petronas' Pacific NorthWest project is just one of about a dozen LNG terminals proposed for British Columbia's rugged Pacific coast, as top global energy firms scramble to build the facilities to export cheap Canadian gas to hungry Asian markets.
- ◆ Indian companies, like their Asian peers, have been scouting for oil and gas assets abroad to meet rising domestic demand.

Hurun's 2014 global rich list

- ◆ India is home to the fifth largest group of billionaires in the world and Mukesh Ambani, chairman of Reliance Industries (RIL), is the country's richest man with a personal fortune of \$18 billion.
- ◆ According China-based research firm Hurun's 2014 global rich list, Mukesh Ambani was ranked 41st in the list that was topped by Bill Gates, whose personal networth stood at a whopping \$68 billion.
- ◆ Other noted Indians in the list include Lakshmi N Mittal ranked 49th with a personal net worth of \$17 billion.
- ◆ Dilip Sanghvi of Sun Pharmaceutical Industries and Wipro's Azim Premji both ranked 77th with a personal wealth of \$13.5 billion each. Tata Sons' Pallonji Mistry ranked 93rd with a personal wealth of \$12 billion.
- ◆ SP Hinduja & family was ranked 93rd on the list, with a net worth of \$12 billion.

Bitcoins Outnumber Real Currencies

- ◆ The world now has a larger number of virtual currencies than a total 180 recognised currencies in different parts of the globe, notwithstanding issues like bankruptcies and growing regulatory unease about bitcoin and its other digital peers.
- ◆ Within an ear shot of the 200-member mark, a total of 193 virtual currencies are currently being traded across the internet, although none of them carry an official stamp from the government or banking regulator from any of the countries.
- ◆ While bitcoin and other such currencies began coming into existence about four years ago, a frenzied proliferation has more than doubled their count, shows an analysis of data available with various online marketplaces for such currencies.
- ◆ Apart from bitcoins, ripple, litecoin, auroracoin, peercoin and dogcoin have seen steady pickup in volume as well market value. The latest additions include teacoin, aliencoin, magic internet money and heisenberg.
- ◆ However, India's laxmicoin is yet to start as its promoters are keen on understanding the Reserve Bank of India views on this venture. The RBI has issued a public advisory, warning that such currencies are risky and not part of the traditional banking system.

No 1 employer in Europe: TCS

- ◆ India's largest software services firm Tata Consultancy Services (TCS), which has over 2.9 lakh employees globally, has been named as the top employer in Europe by the Top Employers Institute for the second consecutive year.
- ◆ Tata Consultancy Services was ranked

first among the 20 companies that were eligible for the award. The company was recognised as an exceptional performer across six core Human Resources (HR) areas; primary conditions, secondary benefits, working conditions, training, career development and company culture.

- ◆ The Top Employers certification is only awarded to the best employers around the world, organisations that demonstrate the highest standards of employee offerings.
- ◆ TCS was certified in eight separate markets in 2014, including the UK – where the company secured the certification for the fourth year in a row – and Belgium, Netherlands, Germany and Switzerland, where it was certified for the second consecutive year.
- ◆ This year also saw TCS certified in France, Sweden and Denmark for the first time.

Exports up for Gold

- ◆ India's export of gold jewellery rose 1.04 per cent in February, rising for the first time in fiscal 2013-14.
- ◆ Gem & Jewellery Export Promotion Council (GJEPC) said that cumulative gold jewellery exports from April 2013 to February 2014 fell 45.6 per cent to \$6.352 billion.
- ◆ Exports of gold jewellery have taken a beating in 2013-14 with the government imposing restrictions on the import of gold in a bid to control the current account deficit (CAD) resulting in very limited gold supplies. The measures included higher import duty of 10 per cent on gold and an 80:20 scheme which made it mandatory for gold importers to export a fifth of the gold imported.
- ◆ India's total gem and jewellery exports during February 2014 fell 8.2 per cent to \$3.143 billion (\$3.437 billion) while for the

11-month period ending February 2014, it fell 9.9 per cent to \$30.828 billion.

Revised intermediaries fee by Sebi

- ◆ The board of the Securities and Exchange Board of India (Sebi) decided to revise the fee it charges from various intermediaries in a bid to fund its programme in investor awareness, education and protection in FY15.
- ◆ Laying down the agenda for FY15, the board of Sebi decided to stress on investor awareness and education and enhance the regulator's reach to potential investors.
- ◆ While Sebi will revise the fee charged for various services in a bid to fund its planned objectives, it has clarified that they will have minimal impact on the investors. The changes in fee structures will be notified by the regulator through circulars going forward.
- ◆ It is expected that Sebi will revise the registration fee and other fee for stock exchanges, mutual funds, brokers and other intermediaries.

Largest retailer in India

- ◆ Mukesh Ambani's Reliance Retail is expected to emerge as the largest player in India's organised retail sector this year, overtaking erstwhile market leader Future Retail.
- ◆ It posted a turnover of Rs. 10,857 crore for the nine months ended December 31, 2013. Future group chairman Kishore Biyani had said in January that his group would clock revenues of about Rs. 11,000 crore for the full year. Reliance has already reached that figure in the first nine months of the year and so, is likely to be comfortably ahead by March 31, 2014.
- ◆ Parent company Reliance Industries, which is sitting on a cash pile of Rs. 90,000 crore, has lined up massive expansion

plans for the retail business. The target: a turnover of Rs. 50,000 crore from this segment by 2016-17.

- ◆ The company expects the bulk of this growth to come from the value and digital segments, where it can leverage its deep pockets, world class backend and well-oiled logistics chain to provide competitive prices.

EC approval for new gas price regime

- ◆ The Petroleum and Natural Gas Ministry is awaiting a nod from the Election Commission to go ahead with notifying a new gas price regime that will almost double the cost of natural gas to \$8 to 8.5 per mmBtu from the present \$4.2 per mmBtu .
- ◆ Petroleum Secretary Saurabh Chandra met Chief Election Commissioner V. S. Sampath last week and submitted the necessary documents on the issue. He also sought formal approval from the EC for hiking gas prices from April 1 The Cabinet had, last December, given its nod for shifting to the new gas pricing regime under the Rangarajan Committee formula . The new pricing formula would be applicable for a period of five years from April 1, 2014.
- ◆ The new rates will change every quarter based on 12-month average of global rates and LNG import price with a lag of one quarter.
- ◆ The price for April to June 2014 will be calculated based on the averages for the 12 months ended 31 December 2013 and it is expected that the rate in April will be around \$8 per mBtu.

Indian shares upgraded

- ◆ Goldman Sachs upgraded Indian shares to "overweight" from "marketweight" and raised its target on Nifty to 7,600,

citing reduced external vulnerabilities, including a narrowing current account deficit, and potential for gains ahead of elections that conclude in May.

- ◆ The investment bank added it favours cyclical over defensives because of expectations of an improving economy and a bottoming out of earnings, according to a report. It also recommended investors to focus on potential election beneficiaries in these markets.
- ◆ It upgraded auto stocks to “overweight”, while retaining the same rating on IT and energy stocks.
- ◆ Goldman said Oil and Natural Gas Corp (ONGC.NS), Coal India (COAL.NS), NTPC (NTPC.NS) and Bharat Petroleum Corp (BPCL.NS) as public sector companies that could be key election beneficiaries.
- ◆ Among private sector shares, ICICI Bank (ICBK.NS), Larsen and Toubro (LART.NS), UltraTech Cement (ULTC.NS), JSW Steel (JSTL.NS), Indusind Bank and Voltas (VOLT.NS) were seen by Goldman as gaining from elections.

Bullish Indian Markets

- ◆ The Indian benchmark indices have hit a fresh all-time high in trade as foreign institutional investors continue to bank on India’s economic growth story as well as are hopeful of a stable government at the Centre.
- ◆ Following are the top five reasons which are making investors bullish on the Indian markets:
- ◆ Goldman Sachs upgrades India to ‘overweight’: The brokerage has upgraded India to overweight and raised the Nifty’s 12-month price target to 7,600.
- ◆ General elections: The foreign

institutional investors are pumping in million of dollars in Indian equities on hopes that the new government will continue with reforms to accelerate the economic growth.

- ◆ Wise not to wait for election results and enter now: It’s no good waiting for good news on Indian elections to come to fruition before buying equities, says the RBS report.

The third richest family in Britain

- ◆ The Hinduja brothers have emerged the third richest family in Britain, as part of an analysis of the divide between the rich and poor in the United Kingdom.
- ◆ According to research published by the charity, the latest rich list from Forbes magazine showed that London-based Srichand and Gopichand Hinduja have a combined wealth of \$10 billion.
- ◆ The five top U.K. entries analysed for its A Tale of Two Britains report found the family of the Duke of Westminster the richest followed by David and Simon Reuben, the Hindujas, the Cadogan family, and Sports Direct retail boss Mike Ashley who, between them, had property, savings and other assets worth £28.2 billion.
- ◆ It implies that the country’s five richest families now own more wealth than the poorest 20 per cent of the population, with their wealth totalling £28.1 billion — an average of £2,230 each.

Eurozone annual inflation

- ◆ Year-on-year inflation in the eurozone slowed to 0.7 per cent in February, compared to 0.8 per cent the previous month, the European Union’s statistics office Eurostat.
- ◆ The figure is a revision from the initial Eurostat estimate that inflation would

remain at 0.8 per cent in February, meaning that price growth dropped further-than-expected below the European Central Bank's target of just under 2 per cent.

- ◆ Year-on-year price growth first slowed to 0.7 per cent — the lowest reading since the creation of the euro in 1999 — in October of last year, prompting the ECB to intervene by lowering its key interest rate to 0.25 per cent the following month.
- ◆ Among the 18 eurozone member states, negative annual rates were observed in Bulgaria, Cyprus, Greece, Croatia, Portugal and Slovakia.
- ◆ The highest rates, meanwhile, were recorded in Malta and Finland, where year-on-year inflation stood at 1.6 per cent respectively in February.

200 new low cost airports in India

- ◆ With India poised to become the fastest growing aviation market in the world in the next two decades, the government plans to build nearly 200 low cost airports.
- ◆ The government is keen to expand the sector to the smaller cities in a bid to improve air connectivity, especially to Tier-II and Tier-III cities. At least four to five smaller airports from Andhra Pradesh, including those at Kadapa and Rajahmundry, were likely to figure in the list.
- ◆ At present, the non-metro airports accounted for about 30 per cent of the total air traffic, which was expected to rise to 45 per cent in the next few years.
- ◆ The Airports Authority of India was planning to invest Rs.1,500 crore in developing non-metro airports in the 12th Plan.
- ◆ Basically, the operation costs were very high and almost 70 per cent costs were "dollar-denominated." Also, the cost of

aviation turbine fuel (ATF) was quite high in the country with some States levying up to 30 per cent VAT.

U.S. curbs on importing gas

- ◆ Keen to import gas from the U.S. to meet its rising energy needs, India will ask Washington to ease restrictions on sales to countries with which it does not have a free trade agreement (FTA).
- ◆ Washington has till now allowed conditional export of liquefied natural gas (LNG) from five of its projects to nations with which the U.S. does not have a free trade agreement, so-called 'non-FTA' countries. India does not have a FTA with the U.S. till now. The issue of LNG exports to non-FTA nations would figure at the Indo-U.S. Energy Dialogue .
- ◆ U.S. Energy Secretary Ernest Moniz and Planning Commission Deputy Chairman Montek Singh Ahluwalia will lead the two sides at the talks, which were previously postponed due to row over treatment of Indian diplomat in US.
- ◆ Indian companies led by state-owned GAIL have already signed agreements with U.S. firms to buy as much as 3.5 million tonnes a year of LNG.
- ◆ Indo-U.S. collaboration in increasing efficiency of solar photovoltaic cells by using local content and second generation bio-fuel production using non-edible oilseeds produced locally would also be discussed during the talks, they said.

Fortune

India's 40 under 40 list

- ◆ Seven women have made it to the Fortune India's first '40 Under 40' compilation that lists individuals who have managed to grow an idea into a profitable business.
- ◆ The list comprises of entrepreneurs and professionals aged 40 years and less as of

December 31, 2013. To clarify, this is a listing, not a ranking,

- ◆ Kavita Iyer Rodrigues, Director & COO of Theramyt Novobiologics and who co-founded the first biotech startup in venture capital firm Accel Partners' stable in 2007 got featured in the list. So was Richa Kar Founder & CEO, Zivame.com.
- ◆ The other women entrepreneurs, managers, founders in the list include: Kavita Bhupathi Chadda, Group CEO Globosport; Simeran Bhasin India Marketing head Fastrack & New Brands, Titan Industries; Gauri Singh, Founder and Director, The Maids' Company; Avani Saglani Devda, CEO Tata Starbucks and Neha Kirpal, Founder & Director India Art Fair.
- ◆ The criteria for selection include growth in business (market share or revenue) and where growth rates were similar, emphasis was on profitability; those who executed a business model or innovation to grow in a tough market, who have reduced the per unit cost of delivering a product or service, scaled up an idea.
- ◆ The individuals in the list belong from diverse sectors, although there are more tech startups than others.

Downgrade of India's aviation safety ratings

- ◆ Downgrading of India's aviation safety ratings by the Federal Aviation Administration (FAA) may impact domestic aircraft chartering business in the long run.
- ◆ India does not have adequate number of personnel to carry out regular inspections, aviation companies may tend to become complacent.
- ◆ Recently FAA said that it has downgraded India's aviation safety rating from the top to the second category.

- ◆ The downgrade from Category I to II means that Indian aviation regulator does not meet the safety standards set by the UN agency, International Civil Aviation Organisation.
- ◆ Bali said if any country has weak safety oversight, then people will hesitate to charter planes from that country as it may tend to sudden checks when the aircraft flies to some other country, forcing unexpected delays.
- ◆ This dismal performance is due to poor induction of aircraft to the existing fleet and large number of de-induction.

Business world's most powerful Indians

- ◆ In our 2013 power list, Arvind Kejriwal, messianic leader of the Aam Aadmi Party, ranked 79, below Aamir Khan and Jayanthi Natarajan. But in the latest list, he ranks fourth.
- ◆ In 14 months, he launched a new party, won a state election, became chief minister for 49 days, and now aims higher, the Lok Sabha polls with him being projected as a future prime minister.
- ◆ In sharp contrast, we have seen the decline of the Congress and the rise of regional satraps, a development reflected in our 2014 Power List. Three regional leaders, J Jayalalithaa (19 last year), Mamata Banerjee (25 last year) and Mayawati (22 last year), feature in the Top Ten.
- ◆ India's most powerful corporate tycoon, Mukesh Ambani, has dropped from number 12 last year to 19 this year. That is possibly to do with the global economic crisis and the business environment in India, handicapped by the policy paralysis in the UPA government, as also the many scams that involved businessmen.

EU tax evasion law blocked by Luxembourg

- ◆ European Union finance ministers failed to agree on a sweeping new policy to fight tax evasion because of resistance from Luxembourg, a tiny country that long has prospered from a secretive banking culture.
- ◆ Luxembourg was able to shelve the legislation for the 28-nation bloc because the decision required unanimous approval.
- ◆ Luxembourg has insisted for years it would support the proposed law only if non-EU banking hubs within Europe, particularly Switzerland, also sign up.
- ◆ But as the EU's negotiations with Switzerland, Liechtenstein and three other nations on signing the agreement have made progress, Luxembourg has responded with new reasons for opposition, chiefly the risk that banks outside Europe would draw deposits away if the continent's banking rules are tightened too much.

ONGC and OIL's 10% government stake in IOC

- ◆ State-owned ONGCBSE -0.17 % and Oil India LtdBSE 0.66 % (OIL) have bought a 10 per cent stake in Indian OilBSE -1.69 % Corp (IOC) from the government for Rs 5,340 crore.
- ◆ Oil and Natural Gas BSE -0.17 % Corp (ONGC) and Oil bought 5 per cent stake each at Rs 220 per share.
- ◆ An Empowered Group of Ministers (EGoM) headed by Finance Minister P Chidambaram had on February 28 decided to sell the stake in IOC, the nation's largest oil firm, at a discount of 10 per cent through an off-market deal.

- ◆ The sale of the 10 per cent stake, or 24.27 crore shares, happened in an off-market transaction, with ONGC and OIL buying 5 per cent each.

Below 5 per cent inflation

- ◆ Inflation slipped to a nine-month low of 4.68 per cent on the back of easing prices of onion and potatoes and giving comfort levels for a possible rate cut by the Reserve Bank of India (RBI) in the monetary policy review on April 1.
- ◆ Inflation based on the Wholesale Price Index (WPI) came down to 4.68 per cent in February from 7.28 per cent a year ago. It was 5.05 per cent in January 2014.
- ◆ Food inflation, which has been a major cause of concern for the government, dropped to 8.12 per cent in February, compared to 8.8 per cent in January as the rate of price rise slowed in almost all items, except fruits, rice and milk.

Gold's import tariff value raised

- ◆ The government has hiked the import tariff value on gold to \$445 per 10 grams from at \$433 per 10 gram earlier.
- ◆ However, the import tariff value — the base price at which customs duty is determined to prevent under-invoicing — in case of silver has been reduced to \$694 per kg from \$699 per kg earlier.
- ◆ The tariff value is revised on a fortnightly basis after analysing the global price trend. Gold is the second largest import item for India after petroleum. The government had taken several measures to curb gold shipments to address the high Current Account Deficit (CAD).
- ◆ The Commerce Ministry has asked the Finance Ministry to relax curbs on gold imports.

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⇒ एसएससी सीजीएल SSC CGL (Tier-1) हिन्दी माध्यम ऑनलाइन कोचिंग

<http://sscportal.in/community/courses/ssc-cgl-tier-1-hindi>

For More Information Click Given below link:

<http://sscportal.in/community/courses>