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Youth vote can reshape 2014 polls — and India's polity for the prettier

For many young people, yawning at repetitive accusations politicians hurl at each other today, data that shows nearly 50% of 18-19-year-olds in Delhi haven't even registered to vote is an alarm bell. By not voting, we're doing ourselves the biggest harm possible. We're blowing the one big chance we have to make a positive difference. Unlike earlier years, where 'youth power' was glorified in politicians' and ideologues' prose, but amounted to little in electoral votes, 2014 is different. Over 65% of India's population is under 35 years now. Data suggests first-time voters in India, between 18-23 years, compose 14% of the electorate. That's a staggering number. The difference it could make to this election — and our polity — is huge.

The state of India isn't hidden from young people today. Corruption tops most young peoples' hate-lists, followed by ineptitude and an arrogant lack of accountability. Instead, most politicians seem interested merely in sectarianism and sops. But young people demand that our polity focuses on education, health, safety, services, empowerment and jobs, not jati-waad. We've made these points repeatedly through social media and activism, even risking harsh punishment at both ends. Crucially, here's our last-mile connectivity now — our tangible chance to make change come alive.

The more young people vote, the more our concerns — modern, secular, progressive — will shape India's agenda. If we don't vote, we must be prepared to live with broken streets, non-existent jobs, subsistence-level services, communal politics, corrupt officials and no one in charge listening to you. To break that vicious cycle, sign up and vote. There are hassles involved — address proofs are a headache for many in places other than birth locations — but brave these. You're young. Use your energy — the troubles are small, advantages great.

These principles apply to smart politicians too. Recall Barack Obama's 2008 campaign — using social media, colleges and a host of youth forums, Obama not only grouped together young voters, he had them volunteering services and persuading communities to vote. Thanks to that organising effort, the youth vote re-shaped and energised the world's oldest democracy. It can also do so in the world's largest democracy. Pro-change and anti-status quo politicians can reap benefits by mobilising the youth vote. Meanwhile, it's time young citizens exercise more than their right to complain. You want growth, governance and graciousness? Go vote, dude.

Manifestoes 2014 ,Parties and promises (PDF)

(<http://www.thehindu.com/news/resources/manifestoes-2014/article5839232.ece>)

As the Lok Sabha elections get underway, [here is a comparison of the manifestoes](#) of major parties on key policy issues. The [Nationalist Congress Party manifesto](#) for the Lok Sabha elections 2014.

The Bharatiya Janata Party released its [Election Manifesto 2014](#) with the message: Sabka Saath, Sabka Vikas (Participation by all, for development of all).

The Congress released its [manifesto called 'Your Voice, Our Pledge'](#) for Lok Sabha Elections 2014 on March 26, 2014, sending out a three-pronged political message, one for each economic slab of society.

The newest national party Aam Aadmi Party [released its manifesto](#) for the Lok Sabha polls 2014.

Click [here](#) to read/download the The Communist Party of India (Marxist)'s manifesto for the 16th Lok Sabha Elections, 2014.

Click [here](#) to read/download the The Communist Party of India's manifesto for the 16th Lok Sabha Elections, 2014.

Click [here](#) to read/download the All India Trinamool Congress manifesto for the 16th Lok Sabha Elections, 2014.

Candidates Affidavits: verify in www.ceoandhra.nic.in

CORPORATE

IT, pharma to lead hiring upswing in 2014

There is good news for job hunters as hiring activity in 2014 is set to see an upward trend, with IT and pharma sectors expected to lead the pack, according to a new survey. The Naukri Hiring Outlook Survey 2014, a half yearly survey which gauges the hiring sentiments of companies, was conducted among over 800 recruiters. “Approximately 64 per cent of recruiters indicated the creation of new jobs this year. This represents a more positive outlook in comparison to July 2013 when only 54 per cent recruiters signalled the creation of new jobs,” the survey said. However, replacement hiring is likely to contribute less to the overall hiring with only 30 per cent of recruiters expected to engage in it in 2014 versus 54 per cent of recruiters in the second half of 2013. Increments in 2014 are expected to be at par with the 2013 levels.

Two-thirds of CFOs expect faster growth after elections



A majority of chief financial officers in the country are optimistic about growth prospects, according to a survey conducted by Deloitte India. It says 69 per cent of CFOs are confident about the economy's outlook over the long term this year, up from 44 per cent in 2013. The most optimistic are CFOs in financial services, consumer businesses and technology, media and telecom. Those in the energy and resources sectors are most pessimistic followed by manufacturing. Nearly four-fifths of CFOs in consumer businesses, banking and financial services are confident about future growth, indicating the strength India's consumption story. In contrast, just a third of CFOs in oil and gas, metals and mining, and cement expect faster growth, revealing the challenges of reviving capital expenditure. [Read](#) [More.](#)

IBM's loss in Bharti IT outsourcing deal a gain for TCS, Tech Mahindra

In what could be one of the biggest blows for Big Blue, telecom services player Bharti-Airtel has restructured its contract with IBM, giving away work to Indian information technology (IT) services entities, Tata Consultancy Services (TCS) and Tech Mahindra. The restructuring has also meant IBM's share in the \$2-billion landmark IT outsourcing deal would come down significantly. IBM is likely to get about \$500 million worth of outsourcing contracts from Airtel,

after the renewed contract that was signed last week, said sources in the know. An announcement is likely within the next couple of days.

IBM'S OTHER DEALS WITH TELCOS

- With Vodafone about \$1 bn
- With Idea Cellular \$800-900 mn
- With Bharti Airtel Expected to be about \$400-500 mn

Cognizant incubates employees' ideas for in-house start-ups

Cognizant Technology Solutions, one of the country's largest information technology service companies, has devised an innovative way to create start-ups within the organisation. Considered a front-runner in evolving for technologies of the future such as social, mobility, analytics and cloud (SMAC), it has been encouraging employees who come up with innovative ideas for specific client needs or which set the stage for the future. Once the ideas clear a feasibility test, the staffers are taken off their job and asked to dedicate themselves to the project. Cognizant also provides the needed resources and funding for the idea to incubate. The company says 30 such ventures have been funded and some of these solutions— such as Cloud360 and TruMobi — have already been deployed at some clients.

New Companies Act takes effect

The new Companies Act, 2013, will come into force from April 1, 2014. However, many sections are yet to be notified. Among these are setting up of a National Company Law Tribunal (NCLT), a National Financial Reporting Authority (NFRA), winding-up of sick companies and special courts. Companies will be required to follow the provisions in this regard of the old Companies Act, 1956. Some of the left out sections also related to the Investor and Education Protection Fund, compromise and arrangement, oppression and mismanagement, fraud and the damages required to be paid by companies involved.

ACT NOW FOR MORE TRANSPARENCY

Some key norms companies will have to follow under the new Companies Act

- Have to devise strategy and policy for implementing CSR norms
- Reconstitute boards to add woman director(s), small shareholders directors and at least one resident Indian director
- Finalize a new code for independent directors
- Implement succession planning for its independent directors as they are required to be rotated after 10 years
- Reconstitute audit committees and establish nomination and remuneration
- Directors will have to sign a directors responsibility statement
- Will be required to make new disclosures pertaining to risk management, board evaluation, remuneration, CSR
- File returns with the Registrar of Companies on changes in top 10 shareholders

DGCA blocks Spice Jet's Re 1 ticket offer

Hours after SpiceJet launched a discount scheme on April 2, 2014 the Directorate General of Civil Aviation (DGCA) directed the budget carrier to withdraw it. DGCA justified its unprecedented action, saying the airline was misleading consumers by earmarking only two per cent of its ticket inventory for this offer but creating a hype in the market. The regulator also said the scheme would distort the financial health of the country's aviation market, already reeling under heavy losses. A senior DGCA official said: "We have asked the airline to discontinue the offer with immediate effect. It does not make any financial sense to offer tickets at Re 1. The inventory on offer is negligible and the offer will distort the market and mislead consumers."

Dabbawalas to deliver WHO's word

Mumbai's iconic dabbawalas have been roped in by the World Health Organization (WHO) to spread awareness about diseases such as malaria and dengue. On April 7, World Health Day, little tags with preventive messages on diseases transmitted by mosquitoes, flies and so on will be put on the approximately 400,000 tiffin boxes that the dabbawalas deliver every day, Ragunath D Medge, President of the Nutan Mumbai Tiffin Box Suppliers Charity Trust, told mediapersons. The WHO's awareness campaign, 'Small bite, big threat,' urges people to take steps to prevent disease.

Amazon builds India business quietly

In just over 10 months of existence in India, Amazon, the biggest online retailer in the world, has become the largest in the country, too, in the number of products its e-commerce sites stock. At 15 million products, Amazon India has overtaken home-grown e-commerce portals such as Flipkart and Snapdeal. While Flipkart offers close to 10 million products, Snapdeal offers four million-odd. US-based portal ebay offers over 1.5 million products in India. Amazon, which debuted here with local brand Junglee.com in February 2012, launched its own digital marketplace in June 2013. [Read more..](#)

ISRO sees larger role for private sector in space programme

Indian Space Research Organisation (ISRO) is working out a business model for a larger participation from the private sector in the space programme so that its manpower can concentrate on new developments and research, according to K Radhakrishnan, Chairman, ISRO. Nearly 400 companies, including large, medium and micro size, make several elements of a launch vehicle, including fabrication, testing and assembling. In operational programmes like PSLV and GSLV, the industry has taken higher responsibility in integrating the satellites.

Protest against new rule for appointing company secretaries

Company secretaries seem to be facing regulatory heat as the rules notified under the new company law could put thousands of such professionals out of work. The new rules mandate the appointment of a company secretary only for listed companies and every other public company with a paid-up capital of Rs. 10 crore or more. With no such specific requirement for private companies under the new legal framework, there is now a possibility of all company secretaries employed with private companies losing their “bread and butter”. Private companies constitute 93 per cent of total active companies (about nine lakh) in India. The number of private companies will increase further as the definition of private company has been modified to include firms having up to 200 shareholders. Also, the current liberal dispensation would encourage conversion of public companies into private ones, say corporate observers. One may, in the coming days, see a situation where most new companies would be private ones.

Companies need to promote woman-friendly policies

Securities and Exchange Board of India while reviewing corporate governance norms for listed companies recently said at least one woman director should be on the company’s board. This means, over 5,000 women directors need to come on board companies in the next two to three years. But are there enough qualified persons? According to E Balaji, a HR consultant, women constitute 24 per cent of the Indian workforce but they form only 14 per cent of senior management. The number drops to 5 per cent when it comes to top management or board level positions. [Read more..](#)

Lemon Tree Hotels eyeing luxury sector

Lemon Tree Hotels is planning to enter the luxury segment. The company is talking with two luxury brands in the US and Asia, which have no operations in the country, for its luxury venture. Lemon Tree will share the management fee with the partner brand. The hotel chain is planning to launch its own luxury brand and has even finalised a name. Started by Patu Keswani in 2002, the company runs 25 hotels under Lemon Tree Premier (upscale), Lemon Tree (mid-market) and Red Fox (budget) brands. The company claims to be the third largest hotel owner in India, with about 2,850 operating rooms and another 1,200 under development.

NTT Data looks to partner India start-ups

Japanese information technology (IT) services firm NTT Data looks to deepen its relationship with the growing Indian start-up ecosystem. The company, which partners start-ups across the world, is working with two Indian start-ups, Smart Cloud Infotech and MobiSoft, and is open to more such alliances. NTT Data is part of the NTT (Nippon Telecom & Telegraph) Group, and has annual revenues of over \$1.33 billion. The firm provides advisory services, application development and management, business intelligence, analytics, business process outsourcing, cloud services and infrastructure services, among others. The Tokyo- headquartered company has a headcount of 18,000 globally - of which over 10,000 are based out of India across the company's 11 facilities.

Aditya Birla Nuvo: A blue-chip going for a song

As the market scrambled for blue-chip stocks during the recent rally, the Birla group flagship Aditya Birla Nuvo remained under the radar, thanks to its vast and complicated portfolio of businesses, ranging from financial services and apparel retailing to agri-business. The stock lost 15 per cent this year, following the company's failure to bag a banking licence. But whether or not it owns a bank, Nuvo's businesses hold huge potential to scale up in size and profitability over the long term. Buy-and-hold investors should grab the opportunity to acquire the stock.

India's IT-BPO sector may lose out to Philippines unless it cuts costs

The Indian business process outsourcing (BPO) industry needs to diversify its delivery footprint to take advantage of low-cost centres; otherwise competitors, such as the Philippines, would further consolidate their position, says a study. The study on information and communications technology jointly conducted by Associated Chambers of Commerce and Industry of India (Assocham) and KPMG said India was losing around 70 per cent of all incremental voice and call centre business to competitors, such as the Philippines and Eastern Europe. It said IT-BPO companies could reduce the total operating costs by 20-30 per cent by moving to a low-cost city within India with cost differential at around 10-15 per cent for non-voice processes and upward of 20 per cent for voice processes.

Lafarge-Holcim merger threatens India leader UltraTech

With the world's two largest cement makers - France's Lafarge and Switzerland's Holcim - agreeing to merge, UltraTech's leadership in India, the world's largest cement market after China, is under threat. The Aditya Birla Group company recently dethroned Holcim to become the country's largest manufacturer of the construction material after buying Jaypee's Gujarat factory last year. Holcim, which entered India in the middle of the past decade, controls the country's two large cement companies, Ambuja Cements and ACC. Put together, the Swiss giant has a manufacturing capacity of 57 million tonnes a year (mtpa), about 17 per cent of India's capacity. Lafarge, present in India since 1999, though has managed only eight mtpa. Following the Jaypee deal, UltraTech's capacity had risen to 59 mtpa against Holcim's 57 mtpa. However, together Lafarge and Holcim will again rule the roost with an overall capacity of 65 mtpa.

A look at Ranbaxy's chequered legacy

Sun Pharma's acquisition of Ranbaxy has once again revived evaluation of the troubled past of the latter, which had changed hands from the promoters merely five years ago. Unlike many Indian companies, Ranbaxy has an interesting and eventful history. Started as a drug distribution firm in 1937 in Amritsar by two cousins Ranjit and Gurbax (hence the name Ranbaxy), it was acquired by Bhai Mohan Singh in 1947 as the owners of the firm failed to repay the money lent by Singh. [Read more..](#)

Sun-Ranbaxy merger to push Dr Reddy's to second spot

The acquisition of Ranbaxy by Sun Pharmaceuticals will push Dr Reddy's Laboratories to the second position among the Indian pharmaceutical companies in terms of sales. With the merger, Sun Pharma will take the top slot with a huge margin, which will be difficult to beat without following a similar route. However, analysts say Dr Reddy's, which is treading a more cautious and a narrower path on acquisitions, will continue to focus on improving its profitability margins rather than seeking the inorganic route to grow its top line in a big way. The negative experience from the over Rs 2,550-crore acquisition of German company Betapharm in 2006 made Dr Reddy's change its whole approach towards acquisition. Moreover, the change in the pecking order in terms of revenue size would not have any impact on the company's business, she said, adding they still hold a bullish view on the company.

Walmart to open 50 wholesale stores in India over 4-5 yrs

A day after the Bharatiya Janata Party's (BJP's) election manifesto opposed foreign direct investment (FDI) in multi-brand retail, Walmart's Asia head has suggested the American retail giant plans to open another 50 cash-and-carry, or wholesale, stores in India over the next four-five years. Price said this to Business Standard in a telephone interview from Hong Kong but refused to disclose whether any store would be opened this year. At present, the Bentonville, Arkansas-headquartered chain has 20 cash-and-carry stores in India — the last was opened in Bhopal towards the end of 2012. The firm would also initiate its Indian e-commerce business this summer, Price said. To begin with, Walmart will get into B2B (business-to-business) e-commerce, catering to kirana stores through cash-and-carry outlets: “The pilot for the first one will start this summer.”

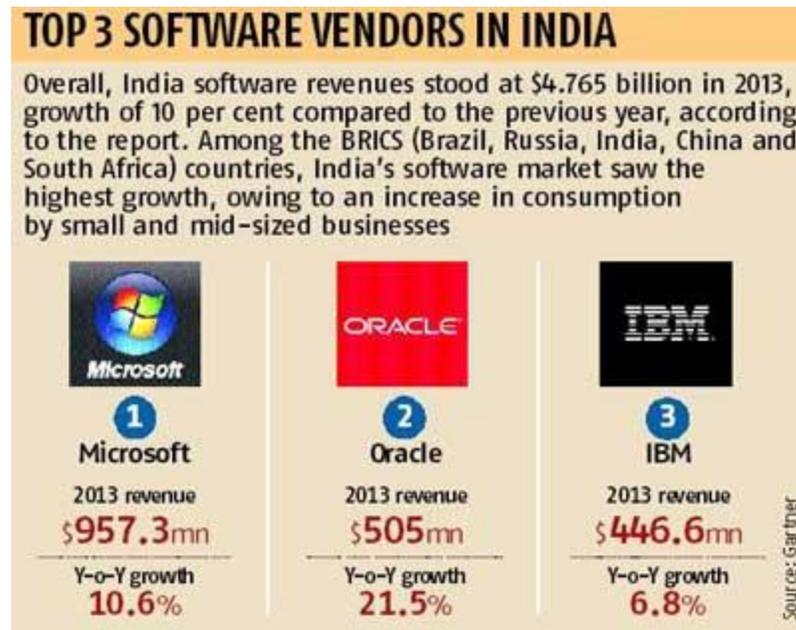
How ‘Green’ is your shampoo?

Users of Procter and Gamble (P&G) products such as Head & Shoulders shampoo and Gillette shaving gel can now trace palm oil content in the products. Pushed into a corner earlier this year by environmental organisation Greenpeace, P&G has declared its commitment to a “no-deforestation” policy in its palm oil supply chain. The policy will also make all palm oil and derivatives used in its products fully traceable. The company said it would take appropriate measures to remove deforestation from its palm oil supply chain by 2020. All suppliers would have to submit plans and demonstrate by December 31, 2015, how they would reach this goal, it said.

Oracle overtakes IBM to become No 2 in India

Riding high on the demand for database management systems, enterprise software maker Oracle has overtaken IBM to become the second-largest software vendor in India, after Microsoft, according to a report by research firm Gartner. In 2013, the US-headquartered company reported

21.5 per cent year-on-year growth in software revenues in India, the highest among all major information technology (IT) vendors in the country, including Microsoft, IBM, SAP, VMware and CA Technologies.



Future Group's Galaxy bets big on food courts

You can now enjoy your favourite fashion show or live cricket or football matches on big screens with a glass of beer at food courts managed by Galaxy Entertainment Corporation. The Future Group-owned company is betting big on its food courts at a time when footfalls at retail outlets are dropping, forcing mall developers to pay greater attention to eateries. The BSE-listed entity, which was acquired by Kishore Biyani-led Future Group from the promoters of Haldia Petrochemicals in 2005, runs sports bars and gaming zones under two brands — The Sports Bar and The Sports Bar Express — across popular malls in the country. Galaxy plans to open 22-24 food-courts this fiscal at an investment of Rs. 10 crore, said Sunil Biyani, Director. It currently runs 11 food courts, and has tie-ups with various malls to operate and manage food outlets through a minimum-guarantee-plus-revenue-sharing model. Mumbai-based real-estate firm Phoenix Mills holds a 34 percent stake in Galaxy.

Ranbaxy may have to pay huge fine, again

Ranbaxy Laboratories, set to be merged with Sun Pharmaceutical Industries, might again have to pay a hefty penalty to the US authorities for alleged violations at its Toansa factory in Punjab. The facility is currently banned from supplying products to the American market. According to a regulatory source, an administrative subpoena issued recently to Ranbaxy's active pharmaceutical ingredient (API) manufacturing unit in Toansa has been triggered through an investigation into alleged fraud and violation of manufacturing norms. "If the company fails to

satisfy the authorities that there were no wrongdoings, it might again lead to a fine and other stringent action by the federal authority," the source, in the know of developments, told Business Standard.

BSNL plans technical varsity

Bharat Sanchar Nigam Limited (BSNL) has started work on establishing a technical university that will offer engineering and management courses. It expects to approach the All India Council for Technical Education (AICTE) and the University Grants Commission (UGC) for approval in eight months. "BSNL has sufficient infrastructure to meet AICTE guidelines for engineering and management education. We also have sufficient supporting staff to meet the UGC norms. Our staff is working on it. We should be able to send it for formal approval in six to eight months," Director (Consumer Mobility) Anupam Shrivastava said.

Crowd funding site raises money

Venture Nursery, India's first angel-backed start-up accelerator, has announced a seed investment by its angels in Catapoolt, a crowd-funding and community engagement platform. Calcutta Angels and Ah! Ventures have also participated in this round. The fund size has not been disclosed. Founded in July last year by Satish Kataria, who introduced start-up crowdfunding platform Grow VC to India, Catapoolt graduated a few months ago from the VentureNursery accelerator programme's third batch. While globally crowdfunding is a \$5-billion industry, it is still in its infancy in India. Catapoolt has been focusing on adapting the model to India and Asia and is trying to build industry partnerships and a contributor's base.

Auditor rotation must for select unlisted public, private companies

The Corporate Affairs Ministry has delivered a "mixed bag" for the audit profession in its new auditor rotation rules. The CA Institute, regulator of the audit profession in India, had pitched for audit firm and audit partner rotation only for the top 100 listed companies. While excluding small companies and one-person company from the purview of auditor rotation, the Corporate Affairs Ministry has mandated audit firm and audit partner rotation for all listed companies and certain unlisted public companies and certain private companies. For the first time, India is introducing mandatory auditor rotation — both at an individual auditor level and at the audit firm level. The new rules released by the Corporate Affairs Ministry said that rotation rules will also apply to public companies having a paid up share capital of Rs. 10 crore or more, private companies having a paid-up capital of Rs. 20 crore or more. Auditor rotation rules will also apply for unlisted public companies with less than Rs. 10 crore paid-up capital or private companies with paid-up capital of less than Rs. 20 crore, but who have borrowed more than Rs. 50 crore.

Private companies excluded from mandatory secretarial audit

The new company law had stipulated mandatory secretarial audit for all listed companies and other classes of companies to be specified by the rules. The Corporate Affairs Ministry issued new rules that stipulate secretarial audit for every public company with paid-up capital of Rs. 50 crore or more or every public company having a turnover of Rs. 250 crore or more. For secretarial audit, the interesting part is that rules do not cover private companies. This would mean that such an audit would not be mandatory for these companies. But the Companies Secretaries' Institute is keen that large private companies be included within the scope of mandatory secretarial audit. "Just as the final rules require every private company with a particular criterion to have an internal auditor, we want the same norms to apply for secretarial audit too," ICSI President R Sridharan said.

30-year-old rule trips foreign companies' CSR efforts in India

India is the only country in the world that seeks to make sure companies do good things, by mandating that 2% of their profit be spent on corporate social responsibility or CSR. But for local arms of multinationals and Indian companies with an overseas stake holding of more than 50%, philanthropy isn't proving easy because of an old rule that's part of the Foreign Contribution Regulation Act (FCRA). [Read more..](#)

The Strategist Quiz (#351) [Click](#) here

ECONOMY AND POLICY

China is now world's largest gold producer and consumer

Move over India. China is officially now the world's largest producer and consumer of gold and is garnering the world's attention. With Indian policymakers showing no signs easing the rigid controls on gold, the focus of all markets participants is trained on the other Asian major, China. With 400 tonnes of domestic production and over 600 tonnes of physical imports in 2013, China's gold consumption has now exceeded a thousand tonnes, making it the real mover and shaker of the world gold market. China's voracious appetite for the yellow metal is the result of rising wealth among its young population, rapid urbanisation and evolving lifestyles.

Rural India tops consumption charts

The United Progressive Alliance (UPA) is often accused of playing the party-pooper in urban India. But the current economic mood in rural parts of the country, it appears, is the best in the past 20 years. During the UPA government's second term in office, rural India's consumption expenditure grew at a faster pace than urban India's — for the first time since 1991. From 2007-08 to 2011-12, the monthly per-capita consumption expenditure (MPCE) in rural areas increased at a compound annual rate of 16.7 per cent, compared with 15.6 per cent in urban centres, shows the consumer expenditure survey of the National Sample Survey Organisation (NSSO). In the previous three years, rural consumption had risen at a CAGR of 11.4 per cent, against 11.8 per cent for urban areas. The trend was visible across the country, with 15 of the 17 major states reporting faster consumption growth in rural areas. Haryana and Uttar Pradesh, though, were an exception. In Gujarat and Maharashtra consumption demand was similar in both rural and urban parts.

SCR to launch premium fare trains

The South Central Railway is launching (SCR) 'Premium Superfast Special Trains' for the first time on its system this month. According to the SCR, this fully reserved service is aimed to meet the heavy demand for rail travel during holidays/busy season on popular routes. It is primarily targeted at that segment of passengers, who are willing to pay premium fare for confirmed berths at the time of booking itself and enhanced standards of service. The first such train is planned to be rolled out 17 April from Secunderabad to Visakhapatnam. The train will have only two stoppages - at Rajahmundry and Samalkot Stations- in both directions.

CA institute framing roadmap for economy

For the first time ever, the chartered accountants' institute plans to frame a model roadmap for Indian economy. The roadmap will be submitted to the new Central Government on its first day in office, said Anuj Goyal, Central Council Member, Institute of Chartered Accountants of India (ICAI), here on April 4, 2014. Towards this end, the institute will host a national summit on 'Indian economy: Way forward' in the Capital to discuss economic issues facing the country,

including taxation, and suggest the way forward. The roadmap is likely to emphasise the need for simpler tax laws, introduction of goods and services tax and other tax reforms.

Can primary deficit be yardstick for fiscal consolidation?

Planning Commission Deputy Chairman Montek Singh Ahluwalia wants the primary deficit, the fiscal deficit minus interest payments, to be the indicator of the health of government finances. Ahluwalia recently wrote to Prime Minister Manmohan Singh, stating the primary deficit is the internationally accepted measure of fiscal consolidation because interest rates can vary for reasons other than government belt tightening. Finance Minister P Chidambaram had budgeted for a fiscal deficit--the broadest indicator of government overspending--of 4.6 per cent of the gross domestic product in revised estimates for 2013-14. The primary deficit was pegged at 1.3 per cent of GDP. The fiscal deficit overshoot its target by 14.3 per cent a month before the financial year ended and the primary deficit was almost twice as high. [Read more..](#)

VARIOUS INDICATORS ON CENTRE'S FINANCES

	Target for 2013-14 (Revised estimate)	Actual numbers till February of 2013-14	Actual numbers as % of target till Feb 2012-13/2013-14
Fiscal deficit	₹5.24 lakh crore	₹5.99 lakh crore	97.4/114.3
Revenue deficit	₹3.70 lakh crore	₹4.34 lakh crore	101.2/117.3
Primary deficit	₹1.44 lakh crore	₹2.77 lakh crore	119.2/192.0

Source: Controller General of Accounts

New WPI to have bigger food basket

If the recommendations of a high-powered committee on revamping the Wholesale Price Index (WPI) are accepted, the new one will have an expanded basket of food commodities, and data it will be sourced from more centres. The latter will represent almost all the producing and consuming centres. The new WPI series is expected to be operational from either the next financial year or the middle of 2014-15. For example, the prices of eggs will be collected from 14 centres across the country as against the current practice of taking these from only four, suggest the committee. For vegetables and fruit, prices from more cities and towns will be sourced, instead of the current practice of getting these from a select few. [Read more..](#)

India's growth likely to recover to 5.4 per cent in 2014: IMF

India's growth could recover to 5.4 per cent in the current fiscal year and increase by one percentage point to 6.4 per cent in the next year to March 2016 due to stronger global growth, an improvement in export competitiveness and implementation of the recently-approved investment projects, according to the International Monetary Fund (IMF). A reiteration of January forecast is an indication that IMF's view of the Indian economy has not changed in the last three months, even as global investors have bought Indian shares in the hope of the economy

doing better. In the just-ended fiscal year, IMF expects the economy to expand 4.4 per cent, according to its World Economic Outlook, which urged more economic reforms. IMF measures GDP in terms of market prices while India gives more weight to the factor-cost method. In terms of factor cost, IMF expects the Indian economy to expand 4.6 per cent in 2013-14, close to the country's official estimate of 4.9 per cent.

Finmin Bats for E-retail by Foreign Single-brand Cos

The finance ministry has advocated that foreign single-brand retailers be allowed to accept orders on email, citing the example of the good old postcard which is still being used for purchases by customers in far-flung areas under value payable post, or VPP. Setting the ball rolling for opening up of the online retailing sector, the ministry has written to the department of industrial policy and promotion (DIPP) to initiate formal inter-ministerial consultations on foreign investment in e-commerce after the DIPP turned down French sports goods maker Decathlon's plea to deliver goods on emailed orders. VPP is permitted even today. Why can't online sales be permitted? It's only a change of technology platform to deliver goods, a finance ministry official told ET. The VPP service, launched by the postal department in 1877, allows customers to place orders by postcard and pay for goods at the time of delivery.

Finance ministry steps in to rescue Dabhol power project

The finance ministry has stepped in to rescue the Dabhol Power Project, which is struggling to collect Rs 400 crore dues from Maharashtra's power utility. The ministry says it would deduct the amount from central funds to be transferred to the state if the dispute is not resolved amicably. The project, which was built by Enron Corp, has been in trouble since last year, when dwindling gas supply from Reliance Industries' KG-D6 block forced it to shut down. It owes Rs 8,500 crore to lenders and is struggling to keep afloat. It is controlled by Gail India and NTPC, which have 32.86% apiece while Maharashtra government owns 17.41% and its lenders together own 16.87%. [Read more..](#)

INFOTECH AND LOGISTICS

Nokia makes a calculated gamble with Android

The worst-kept secret of the mobile world - Nokia's adaptation of the Android operating system for mobile phones - finally came out last month: the Finnish handset maker said that its X series of smartphones would run on Android. Before that, Nokia had put its money first on its own Symbian operating system and lately on the Windows operating system of Microsoft. What made analysts take notice of the selection of Android was that it came seven months after Microsoft announced that it would acquire Nokia for \$7.4 billion. For years, Nokia had kept away from Android, probably in the belief that its low-end Symbian and Windows handsets (the Asha and Lumia lines, for example) would get the better of the Android devices. But that did not happen. Those in the know say that Nokia had realised this early on.

Cognizant banking on 'code halos' to bag big deals

Cognizant has come out with a new approach called 'code halos' that it believes will open up more multi-million dollar business opportunities. The company, which expects to record 16.5 per cent growth in 2014, taking its revenues to over \$10 billion, says the new approach will throw open business opportunities for itself as well as outsourcing companies, large and small. The 'code halos' or virtual 'halos' will help companies make sense of Petabytes of electronic information from smartphones, wearable devices and any gadget that leaves a digital footprint.

IAN, Michelin to launch logistics initiative

Indian Angel Network (IAN) together with tyre-maker Michelin has started a logistics initiative which aims to make movement of produce from farms to markets more efficient. The initiative — Farm to Market Logistics (F2ML) — is an incubator managed by IAN, a network of angel investors investing in start-ups and early stage ventures, and supported by Michelin. It will seek ideas that will help make the food supply chain generate less waste through new practices, behaviours and solutions, the company said in a statement.

'Software sector facing talent crunch'

The software products market in India is expected to cross the \$100-billion mark by 2025, from a mere \$2.2 billion last year. "The addressable market of IT-BPO industry globally is about \$200 billion. We have already achieved half of it. But we are small with regard to software products segment. But this will grow to \$10 billion by 2020, showing a growth of 24.2 per cent from the present base of \$2.2 billion," BVR Mohan Reddy, Chairman and Managing Director of Infotech Enterprises, said. Delivering the keynote address at the Nasscom's daylong conference on 'India product journey: Orbit shift' here on Thursday, he said the industry would then grow at a rapid pace of 58.5 per cent to reach the \$100-billion mark.

Airtel 2nd largest in Nigeria

Bharti Airtel has become the second largest mobile telecommunications operator in Nigeria, statistics from the country's market regulator shows. As on February 2014, Airtel Nigeria, had a total subscriber count of 26,194,336, according to data from the Nigerian Communications Commission. MTN leads the pack with 57,183,745 subscribers . "It is also a clear indication of the trust that a growing sector of the population have started to have in us," said Christian de Faria, Airtel Africa CEO.

New labelling norm to impact supply of IT products

A new labelling amendment by the Bureau of Indian Standards has sent IT hardware importers into a tizzy. Fearing it will impact supply, they are now seeking a six-month extension to the April 4 deadline to comply with the regulations. On March 25, BIS uploaded an amended circular on its website that mandated companies to screen-print, emboss or engrave labels on products and packaging material. This followed an earlier order by the Department of Electronics and Information Technology (DeitY), which had mandated that all imported electronic goods should comply with BIS certification. This was to regulate the flow of sub-standard electronic products into the country. As per the BIS circular, the revised labelling rules also mandate font size for the letters (12 or one-fourth the size of the brand name or whichever is lower).

eInfochips, Kroger to offer engg products for retailers

Offering a new enterprise engineering solutions to Indian retailers, US-based retailer Kroger Co and Ahmedabad-based eInfochips along with Wincor Nixdorf have launched retail site intelligence (RSI). Through the RSI architecture, retail stores can use ZigBee wireless mesh networks to integrate long battery life sensors, hand held devices, point-of-sale devices and video management software into a platform for retail applications such as loss prevention, store automation and analytics. As part of the collaboration, Ahmedabad-based IT and ITeS firm eInfochips is developing products for RSI such as new wireless devices (cameras, scanners, scales, and more) featuring ZigBee wireless technology and Vigil360, a new video management software kernel designed specifically for RSI.

Google to help small businesses set up virtual presence

Ravi Kotian, a clothes seller in mid-40s, whose shop is located in the crowded KR market area in Bangalore, is a disgruntled man. Traffic congestion and lack of parking space are key factors discouraging people from coming to his shop. However, Google Inc, with its new Maps technology, is offering traders like Kotian a solution. The search engine giant's Indoor Google Maps will help them set up virtual stores, which will allow consumers to search online for products in their physical stores. The map will also give exact directions to the consumer to reach shops. Industry watchers say this technology will help Indian businesses have a web presence in a way some malls in the US like Virtual Eshopping set up online presence back in 2011. Indoor Google Maps are like having an indoor directory in the palm of your hand with detailed map data.

With Windows XP gone, users eye open-source

As Microsoft draws the curtains on support for its XP operating system from tomorrow, more businesses are considering a shift to open-source technologies. Last month, the Tamil Nadu government advised all its departments to install Bharat Operating System Solutions or BOSS Linux, in addition to having Linux installed on 100,000 laptops. One of the leading public sector banks in India, which operates around 9,000 bank branches, has decided that using Windows XP still makes sense, with support from an open-source provider. This public sector bank decided to go in for Suse, an operating system based on Linux, which, interestingly has decided to offer support for end-of-life Microsoft products such as Windows XP.

Banks not too worried, looking at update patches

Indian banks are not worried as Microsoft pulls the plug on Windows XP, its ageing operating system (OS), nearly 12 years after it was launched. The world's largest software-maker will stop offering technical support for the OS, which is also its most popular, from midnight April 8, 2014. In April last year, Microsoft announced its intention to withdraw support to OS. This means that corporates and personal users of the OS cannot now rely on firewalls and anti-virus software to protect their machines from malware (malicious software).

Tech Mahindra working on driverless cars and drones

It's not just US information technology companies such as Google working on driverless cars and drones, home-grown tech company Tech Mahindra is also working on similar projects as part of its machine-to-machine offering. For example, the company is working with some major international car companies on using big data analytics to understand driver behavior. Karthikeyan Natarajan, Global Head – Integrated Engineering Services, Tech Mahindra, told that auto companies are looking at a digital cockpit that will remove the rear view mirrors by replacing them with cameras that will stitch the images.

After US, India likes Facebook most; active user mark hits 100 million

Social networking giant Facebook's plans to make India its largest market in terms of number of users is well on track with the company reaching 100 million active users. India is now its second largest market after the US. But the fast paced growth of mobile and data services here makes it a huge opportunity for the company. Nearly 84 per cent of the users access Facebook on mobile. That's more users than what mobile operators such as Aircel and Tata Teleservices have.

How Facebook helps your job hunt

Present day job hunters should leverage their Facebook network to make their job searchers more relevant, says Ranjan Sinha, Co-founder and Chairman, MyParichay. MyParichay, he says, is a group of HR professionals and computer scientists who help people achieve their career potential allowing users to leverage their social network connections in a private and secure manner.

According to him, there are around 32 million people on Facebook in the 20-24 age group in India alone and around 28 million in the 25-34 age bracket compared to a little over 18 million members in LinkedIn. “This generation of young professionals in the 20-30 age group rely largely on Facebook for their job searches. When recruiters share a job opening, it is propagated through this network.”

Chetan Dube’s IPsoft set to launch a humanoid program Amelia, may affect India’s outsourcing Inc

IPsoft, the New York-based company which relies on artificial intelligence to manage computer networks, will commercially launch its proprietary humanoid program Amelia in June, a move analysts believe could significantly impact the people-intensive outsourcing industry. The company will have a soft commercial launch in two months from now, with some of IPsoft clients in the financial services industry, including banks, using virtual robotic engineers to take over the repetitive work being done by humans at BPO firms. The company plans to open its patented technology platform to its 500-odd clients by the year-end, a senior executive of the company told ET.

Robots on Call
Automation of processes may change the BPO sector

What is it?

- Amelia is a software algorithm that works in 10 languages

75% Likely cut in costs as fewer people would be needed at call centres

- IPsoft promises 30-40% savings in infrastructure management costs

The Rollout

- In June, Amelia would be soft-launched for some of IPsoft's banking clients

500 Clients of IPsoft will get access to technology platform by the year-end

The Impact

90% of BPOs will use some form of robotic automation within five years, says Alastair Bathgate, CEO of UK-based startup Blue Prism

MONEY AND BANKING

60% of bank deposits owned by households

A study on the composition and ownership pattern of deposits with scheduled commercial banks by the Reserve Bank of India (RBI) reveals that household sector continue to dominate deposit ownership. As of March 2013, they owned a shade under 60 per cent of the Rs. 71,46,600 crore of deposits in banks in the country. The Government sector owned a little under 14 per cent, non-financial corporate sector 12.4 per cent, the financial sector 10 per cent and the foreign sector 4 per cent. Within households, individuals (including Hindu Undivided Families) accounted for the largest share of 77-80 per cent. The domination of households was seen across all types of deposits. They hold 80 per cent of savings bank deposits, 50 per cent of term deposits, and 40 per cent of current deposits. Interestingly, the study said that deposits of farmers rose by 49 per cent during 2012-13 possibly on account of excess liquidity due to acceleration in the minimum support prices in various food and non-food products during this period. The study also finds that metropolitan branches dominated deposit-raising over the past few years.

Ratnakar Bank mulls Rs. 1,000-crore public issue this fiscal

Kolhapur-headquartered Ratnakar Bank has drawn up plans to raise about Rs. 1,000 crore through an initial public offer in the current financial year. According to Vishwvir Ahuja, MD and CEO, his bank has reached a tipping point, in terms of balance sheet size, profitability and number of branches, with all three parameters seeing robust growth in the last four years.

Irda imposes Rs 1.77 cr penalty on Reliance Life Insurance

One penalty of Rs 25 lakh was imposed due to service agreements with various entities, which Irda says were also engaged for providing services of lead generation and dissemination of information. Entering into service agreements and making payments for lead generation and dissemination of information was not permitted even before the Irda (Sharing of Database) Regulations, 2010. Irda says entering into such agreements with various third parties is a breach of the Insurance Advertisement Regulations, 2000, too. Reliance Life has been directed to immediately discontinue the payments. Another Rs 25 lakh penalty was imposed since Irda said the procedure adopted in issuing cheques favouring the Master Policy Holder was in violation of its group insurance guidelines. It says Reliance committed this violation every year from 2009-10 on. The company has been told to issue death claim cheques directly in favour of the nominee or beneficiary of the deceased member of a group insurance scheme. “...(And) in respect of any group insurance, the death claim proceeds shall be only settled in monetary value and claim settlements shall be in accordance with the applicable regulations notified by Irda.” Recently, SBI Life Insurance had planned to appeal to Irda against the latter’s directive to refund Rs 275.29 crore to beneficiaries of group insurance schemes.

Freeing minimum balance may mean fee for other services: Aditya Puri

Consumers will end up paying more for 'other services' if penalty for non-maintenance of minimum balance in savings bank accounts is done away with, according to Aditya Puri, MD and CEO of HDFC Bank. The RBI said banks should not levy penal charges for non-maintenance of minimum balance in ordinary savings bank accounts and inoperative accounts. Instead, they should curtail the services accorded to those accounts until the balance is restored. Assuming that the bank earns Rs. 400 on a balance of Rs. 10,000, Puri said the bank provides services such as bank statements, cheque books for a year, ATM transactions, and so on, for that amount. However, if that is not charged, consumers will have to pay for those services, which will end up being much more than the penalty for non-maintenance of minimum balance. The HDFC Bank chief added that to break-even banks need a minimum balance of Rs. 25,000-30,000. Currently, customers of State Bank of India, among others, do not pay for non-maintenance of minimum balance or pre-payment penalty. However, banks can charge on transactions, following the latest move by the apex bank.

Deferring Basel III will ease banks' capital needs in the interim, say rating agencies

Though the RBI has given banks a breather by extending the transitional period for full implementation of Basel III regulations by a year, credit rating agencies have warned that investors will seek higher coupons on their non-equity capital instruments. Last week, the RBI decided to extend the implementation of Basel III capital regulations by a year to March 2019, thereby leading to lower capital requirements for banks in the interim. According to Crisil Ratings, the extension of the transition period by a year will lead to reduction in capital requirements of banks by Rs. 40,000 crore up to March 2018 from an earlier estimate of Rs. 2.7 lakh crore. However, the capital regulations also increase the risks in the banks' Tier I capital instruments, and will lead to higher cost for banks.

RBI gets green signal to issue bank licences

Ending weeks of uncertainty, the Election Commission (EC) on April 2, 2014 allowed the Reserve Bank of India (RBI) to issue new bank licences. In a letter to the RBI governor, the EC said the central bank might take "necessary action as deemed appropriate as permissible under provisions of the Reserve Bank of India Act, 1934, the Banking Regulation Act, 1949, and/or any other relevant law(s)." The EC letter was in response to the RBI's March 12 request for guidance on whether it would be appropriate for it to go ahead with the announcement of in-principle approvals for banking licences in view of the model code of conduct for the Lok Sabha elections, which came into force on March 5.

Apex bank adopts retail inflation as anchor

Along with moving to Consumer Price Index (CPI)-based inflation as anchor, as recommended by the Urjit Patel Committee, the Reserve Bank of India (RBI) on April 2, 2014 communicated

to the Street to look through transient effects, including the base effect, not only monthly CPI data. This is because a certain section of the market starts drawing conclusions on RBI's policy decisions when such monthly data are released every month. Earlier, the central bank had appointed a panel headed by RBI Deputy Governor Urjit Patel to revise and strengthen the monetary policy framework. "It is critical to look through any transient effects, including these base effects, which could temporarily soften headline inflation during 2014," Governor Raghuram Rajan said in his monetary policy statement.

‘Window dressing’ of balance sheet irks RBI

The practice of banks ‘window dressing’ their balance sheets in the month of March may soon be a thing of the past. In its first bi-monthly monetary policy statement, the RBI said it plans to put in place measures to curb such a practice. The central bank said, “Liquidity conditions have tightened in March, partly on account of year-end ‘window dressing’ by banks, though an extraordinary infusion of liquidity by the Reserve Bank has mitigated the tightness. RBI Governor Raghuram Rajan pointed out that towards the end of the year banks try to build a certain kind of balance sheet. “Different reasons are driving different banks (to go for window dressing). Some want to reduce the size of their risk-weighted assets so as to qualify for lower capital requirements. “Others want to increase the size of their assets to meet Government performance requirements. It varies,” said Rajan.

IDFC, Bandhan get RBI approval to start banks

IDFC and Bandhan Financial Services Private Ltd have been selected by the Reserve Bank of India to set up banks, from a field of 25 aspirants. The RBI consulted the Election Commission before granting “in-principle” approval to these entities, as a precautionary measure. Incidentally, both IDFC and Bandhan are non-banking finance companies. While Mumbai-based IDFC is classified as an infrastructure finance company, Kolkata-based Bandhan is a microfinance institution. The central bank is issuing new bank licences for the first time in ten years. Kotak Mahindra Bank and YES Bank were set up in the last round, in 2004. IDFC and Bandhan were recommended as suitable for grant of “in-principle” approval by the High Level Advisory Committee set up by the RBI.

IRDA to allow distributors to have multiple tie-ups

Insurance distribution is likely to receive a boost as the Insurance Regulatory and Development Authority (IRDA) is set to allow distribution companies to have multiple tie-ups with insurers. In an exposure draft on ‘insurance marketing firms’ released on April 2, 2014, the regulator said the proposed model would be similar to independent financial advisors based on the recommendations of the Govardhan Committee on Distribution. The firm would be licensed by the IRDA to engage insurance sales persons for marketing all kinds of insurance products. The capital requirements for insurance marketing firms have been spelt out. The applicant should have a net worth of not less than Rs. 10 lakh.

57,000 out of 12 lakh make it as probationary officers, clerks in public sector banks

It is celebration time for bank job aspirants. About 57,000 candidates have been declared selected for the posts of probationary officers and clerks in public sector banks. Over 12 lakh candidates had competed for these posts through a common recruitment examination conducted last year. While a probationary officer will draw a salary of around Rs. 60,000 a month, depending on the place of posting, a clerk will get about Rs. 25,000 a month. The provisional allotment list after the third round of exam (PO-III), released by the Institute of Banking Personnel Selection (IBPS), shows that 21,680 candidates, including 10,846 from the unreserved/open category, have been offered allotments to different public sector banks.

IDFC's banking foray to hit its return on assets, equity: India Ratings

IDFC Ltd, which received an in-principle licence to start a bank, will see a big hit on its profitability in the medium term due to obligations to meet priority sector lending and cash reserve ratio (CRR) norms, according to India Ratings. Meanwhile global rating agency Standard & Poor's said that its rating on IDFC Ltd was not immediately affected by the financing company getting an "in-principle" bank license. The move will improve IDFC group's asset diversity and funding profile in the long run. However, the group's expansion outside its traditional expertise in the competitive Indian banking sector has significant short-term challenges. IDFC's execution of its conversion strategy, including the final corporate structure and capital, will influence its credit profile.

New banks spur fresh opportunities for tech firms

The emergence of new banking players with the approval for new banking licences on April 2, 2014 has spurred a "once in a lifetime" sort of opportunity for information technology (IT) companies. The opportunity for technology companies is not just limited to the quantum of the IT outsourcing business, service providers are also expecting to get a chance to bring in best-in-class technologies to convert the new licensees as "digital banks" of the future, from inception.

TECH SHOPPING LIST: WHAT A BANK NEEDS

BASIC	NEEDS
Core banking solution: Indian banks typically prefer Infosys' Finacle, TCS' BaNCS and Oracle's Flexcube	
ADD-ONS	
Data warehousing, CRM , applications for business functions such as finance, HR and ERP; solutions for internet banking, phone banking	
RECURRING	COSTS
Back-office support, application support and maintenance, software upgrade	

Health Insurance TPA may become operational only by December-end

Health Insurance TPA of India, the in-house third party administrator (TPA) of the state-owned general insurance companies might begin operations only by December 2014, instead of the scheduled April 2014, since the entity is yet to get a license from the insurance regulator. The common TPA of the four public general insurers has already applied for a TPA license to the Insurance Regulatory and Development Authority few months ago. However, it is yet to receive the license. Officials from the regulatory office said that on an average, it takes a longer time for a TPA license to be processed and that the process has already begun.

FinMin not stamping postal bank plan

India Post might not find it easy to make its hoped-for banking foray if the Union finance ministry has its way. The department of financial services (DFS) in the ministry fears the proposed postal bank might turn out to be yet another government bank, competing with other public sector lenders. Another hurdle is the ministry's department of expenditure, yet to approve the Rs 600 crore of funds needed for setting up the bank. India Post sources said there was a "strong lobby" working against it, complaining it has been denied a bank licence despite having a bigger network of branches than either IDFC or Bandhan, the two entities that have got an in-principle nod for one from the Reserve Bank of India.

SBICap puts up brand 'Kingfisher Airlines' for sale

SBICap Trustee Company has put the Kingfisher Airlines brand up for sale to recover dues from the airline. The firm, a wholly-owned subsidiary of SBI Capital Markets, has invited expression of interest from those keen to acquire the Kingfisher Airlines trademark, marking the beginning of the sale of assets of the Vijay Mallya-owned UB Group. The company has released an advertisement in newspapers calling for expression of interest so that the market value of the brand can be ascertained. Audit firm Grant Thornton had valued the airline brand at about Rs. 3,000 crore five years ago. The airline owes the State Bank of India-led consortium of banks over Rs. 7,500 crore.

RBI asks banks to make credit card interest payment easier for users

You might get more time to repay your credit card dues without having to pay any interest or pesky fees. The Reserve Bank of India (RBI) has asked banks to make credit card charges "reasonable" and directed them not to levy interest on card dues till the next bill date even if payment is not made before the due date, bankers familiar with the development told Business Standard. This is the first time the regulator has addressed the issue of credit card charges and this follows RBI's recent instructions on waiver of pre-payment charges on floating-rate consumer loans and removal of penalty for non-maintenance of minimum balance in savings deposit accounts. For instance, suppose a customer has to repay his card dues on the fifth of

every month, while his bill is generated on the 10 of the month. So far, if the customer did not repay his dues by the fifth day of the month, he had to pay interest. With the new instruction, the customer can pay his dues on the 10th day without an additional charge.

STREAMLINING CREDIT

Top players in India

Bank	No. of cards* (mn)
HDFC Bank	5.12
ICICI Bank	3.09
SBI	2.76
Citibank	2.40
Axis Bank	1.31

* As of November 2013

Source: Reserve Bank of India

RBI raps NBFCs for faulty computation of capital

The Reserve Bank of India (RBI) on April 8, 2014 said non-banking financial companies (NBFCs) must deduct investments made in group entities before arriving at net owned funds or NOF. NOF means the aggregate of the paid-up equity capital and free reserves after deducting accumulated balance of loss, deferred revenue expenditure and other intangible assets. The central bank's move is in the wake of finding that certain NBFCs did not consider their investment in group companies while arriving at the NOF figure. RBI said in a communication to NBFCs that the contribution to the funds held by VCFs came primarily from NBFCs themselves. However, NBFCs argued that their investments in group companies were made by venture capital funds (VCF) sponsored by them.

NEW BAROMETER FOR RUPEE COMPETITIVENESS

Reserve Bank of India will begin using consumer prices (retail inflation), instead of wholesale prices, for computing Real Effective Exchange Rate (REER) to depict country's relative competitiveness against trading partners



GPI- and WPI-based Index of REER

Base weighted - Six currencies basket



New Barometer for Rupee competitiveness

Click on graphic

Reserve Bank of India will begin using consumer prices (retail inflation), instead of wholesale prices, for computing Real Effective Exchange Rate (REER) to depict country's relative competitiveness against trading partners

RBI panel proposes measures to make bank loan process hassle-free for customers

Penalty for banks that harass customers by delaying transfer of loans from one to the other, doing away with processing fee for shifting within the same bank from one type to another and an industry benchmark base rate for borrowers are among the recommendations of a central bank panel on pricing of loans to make processes smoother for retail borrowers. "Indian Banks' Association should evolve a set of guidelines for easier and quicker transfer of loans, particularly mortgage/housing loans," said a report submitted by a panel headed by former deputy governor Anand Sinha. "There could also be penalties for banks which do not cooperate with borrowers in this regard." Banks will also have to give their customers the choice of prepaying and exiting a loan, if the recommendations of this committee are implemented.

Differentiated Bank Licence: Will they be old wine in a new bottle?

Within two months, three weeks, and five days of the Nachiket Mor panel glorifying IDFC for proving its mettle as a differentiated bank in a shaky Indian banking industry, its chairman Rajiv Lall was told his company has been granted the licence to convert it into a full-fledged commercial bank. Soon after granting the licence to IDFC, and micro-lender Bandhan Financial Services, Reserve Bank of India Governor Raghuram Rajan said the industry is on the cusp of a transformation in the form of differentiated and 'on-tap' banking licences. Going by the two signposts of India's current financial system — Rajan and Mor — the country could soon have, at least theoretically, 10 different types of banks, serving various constituencies — from retail to infrastructure. [Read more..](#)

In digital era, ICICI Bank taps Facebook for 'friends'

ICICI Bank, the country's largest private lender, in a bid to tap new customers by plugging on to social media site, Facebook, as it seeks novel ways to grab the digital opportunity for growth. The bank is doubling the number of cities it covers with 'tablet banking' and adding services such as videoconferencing, so customers can be at home, for instance, can talk to the bank's money managers. "The idea is thinking ahead of your customer.

MARKETS

SBI raises \$ 1.25 b via overseas bond sales

State Bank of India (SBI) has mobilised \$1.25 billion in a dual tranche overseas bond sale, making it the largest investment grade US dollar-denominated bond transaction out of India since August 2012. This is also the largest dual-tranche offering by a state-owned bank from India. In the latest offering, SBI raised \$750 million through five-year bonds and \$500 million through 10-year bonds. The total order book of the offering was in excess of \$5.9 billion and was oversubscribed 4.72 times with demand from 520 investors, underscoring SBI's strong credit profile and its position as India's largest bank.

Norms for foreign portfolio investors in G-Secs tweaked

To encourage longer term capital flows, investments by foreign portfolio investors (FPIs) in Government securities will henceforth be permitted only in dated securities of residual maturity of one year and above, according to the Reserve Bank of India. Existing investment in Treasury Bills will be allowed to taper off on maturity/sale. The overall limit for FPI investment in G-Secs will, however, remain unchanged at \$30 billion. So, the investment limits vacated at the shorter end will be available at longer maturities. In order to enhance hedging facilities for foreign investors in debt instruments, the RBI plans to allow them to hedge the coupon receipts falling due during the next 12 months.

BS Bank Aspirex performs in line with BSE Bankex

The BS Bank Aspirex, a Business Standard index covering 16 listed companies that had applied for banking licences, gained just 1.3 per cent since July 1, 2013, the last date for submitting applications for bank licences. During this period, the S&P BSE Bankex also saw the same gains. The BS Bank Aspirex is calculated on a full market capitalisation methodology, the base period for which is December 31, 2012. The base value of the index has been set at 1,000, and the base capital at Rs 121,586 crore. With weightage of about 19 per cent, IDFC is the most influential stock in this pack, followed by Aditya Birla Nuvo and LIC Housing Finance (about 12 per cent each), L&T Finance Holdings (11.8 per cent) and Bajaj Finance (7.5 per cent). Weightage in the Aspirex is calculated by the total market value of a company.

India priciest emerging market

The Indian market is more expensive than its peers among emerging countries, with indices tracking these nations showing a lower multiple of earnings than India. The Morgan Stanley Capital International (MSCI) India index is trading at a [price-to-earnings](#) multiple (or P/E) of 17.72, according to Bloomberg data. This means that investors are valuing it at nearly 18 times its annual earnings. The equivalent figure is 11.99 for the MSCI [Emerging Market](#) index. India's earnings multiple is also the highest amongst the BRIC pack, an acronym for major emerging

market economies encompassing Brazil, Russia, India and China. Brazil is trading at a P/E of 15.48, China at 8.98 and Russia at 4.73. [Read more..](#)

Wonderla public issue opens on April 21

Amusement park operator, Wonderla Holidays, has come out with an initial public offering of 1.45 crore equity shares in a price band between Rs. 115 and Rs. 125 a share. The IPO constitutes 25.66 per cent of the fully diluted post-issue paid-up equity share capital of the company. The issue, graded four out of five by CRISIL, opens for subscription on April 21 and closes on April 23. The company plans to utilise Rs. 173.3 crore from the proceeds to set up its third amusement park — Wonderla Hyderabad — at Ranga Reddy district in Andhra Pradesh. Of this, Rs. 70.82 crore would be utilised in FY15 and Rs. 102.48 crore in FY16. Edelweiss Financial Services and ICICI Securities are the book running lead Managers to the issue.

SEBI eases margin on currency futures

Market regulator SEBI has lowered the margin requirement for currency futures traded on the NSE, the BSE, the MCX Stock Exchange and the United Stock Exchange. The cut in margins will come into effect from April 15. The move is expected to improve the sagging turnover on the currency futures platform. In July last year, the market regulator had doubled the initial and extreme loss margins for dollar-rupee contracts due to extreme volatility. Besides increasing the margins, SEBI has also reduced the position limits. The gross open position of clients across all contracts will not exceed 6 per cent of the total open interest or \$10 million, whichever is lower, SEBI said.

Ranbaxy will be delisted: Dilip Shanghvi

Dilip Shanghvi, billionaire owner of India's largest drug maker, Sun Pharma, has been accepting various accolades in the past couple of years. In 2013, two financial dailies adjudged Sun the 'Company of the Year'; two business channels gave similar awards in 2012 to the largest Indian drug maker. In 2011, he was awarded 'Indian of the Year' by another news channel. Growth is the reason. Sun Pharma, as a start-up, had first year sales of \$0.02 million in 1983. This had grown to a company worth \$19.5 billion (market cap) in 2013. This growth from a psychiatric drugs manufacturer to India's largest drug maker in 30 years was driven by the one-man army of Shanghvi. His plan of turning Sun into the largest generic drug maker in the US is being driven through large buyouts. These include acquisition of Ranbaxy; the combined entity will be the fifth largest generic maker in the US. [Read more..](#)

BSE faces technical glitch on first day of new trading system

A [technical glitch](#) left some [brokers](#) unable to access the [BSE](#)'s trading platform on the first day of its switchover to a new system. BSE had migrated to a new '[BOLT Plus](#)' [trading system](#) on April 7, 2014. It had earlier launched these for the currency derivatives segment, as well as the

equity derivatives segment. Monday was the first day of its launch in the cash segment. Two BSE brokers confirmed there had been a technical difficulty at the beginning of the day.

Sun Pharma-Ranbaxy deal may come under Sebi lens

The capital markets regulator, Securities and Exchange Board of India (Sebi), is likely to begin a preliminary inquiry into the \$4-billion merger deal between pharma giants Sun Pharmaceutical and Ranbaxy Laboratories to check whether insider-trading norms were violated. The move follows a sharp rise in trading activity in the shares of Ranbaxy days before the deal was announced. “The trading pattern suggests certain entities could have traded with possession of inside information on the deal. If we are able to establish a link, we will take action,” said a Sebi source. [Read more..](#)

MCX-SX launches banking index

The MCX Stock Exchange has launched ‘SxBank’, a new index to provide a benchmark to capture the performance of the banking sector. The index consists of ten most liquid and large capitalised stocks from the banking sector. It is a scientific, transparent and completely rule-based index, offering better reflection of the banking sector in the Indian economy with superior risk adjusted returns, said MCX-SX in a press release on April 9, 2014. SxBank’s constituents represent over 80 per cent of the total market capitalisation of all banking stocks. The index is computed with base date of March 31, 2010, and is indexed to a base value of 5,000.

Curtail Circular Trades, FMC Tells Bourses

The Forward Markets Commission (FMC) has asked bourses to clamp down on circular trading as the commodity markets regulator tightens its scrutiny of transactions after being placed under the oversight of the finance ministry following the 5,600-crore NSEL crisis last July. It has written to the boards of Ahmedabad-based plantations exchange National Multi Commodity Exchange (NMCE) and the recently-launched Universal Commodity Exchange (UCX) to curb the huge amount of circular trades on the bourses that typically prevail in the last month of a financial year (March), or to face the consequences, a senior government official privy to the development told ET. Officials say such trading, between known parties, is used to avoid tax or inflate earnings. The official said that if the exchanges failed to act upon the regulatory warning, FMC could consider taking severe action.

MARKETING

Amul chocolates ranked No 1 performer brand

Amul chocolates has been rated as the top performer brand in a study by Consumer Voice, a leading magazine published by VOICE (Voluntary organization in the interest of consumer education), in its March 2014 edition. The magazine had conducted a study on various brands of chocolates on physiochemical parameters like cocoa solids, sugar, energy value, total fat, cholesterol, milk fat, carbohydrates, synthetic food colour etc apart from microbiological activity and sensory attributes. Amul emerged the winner with a total score of 78 out of 100 as the highest rated brand in milk chocolate category. Even in the dark chocolate category, Amul scored 84 out of 100 points leaving behind Cadbury's Bournville which received 76 points, claimed a release from Amul.

HomeShop18 files for \$75-million public issue on Nasdaq

Network18 Group's e-commerce firm HomeShop18 would be among the first e-commerce firms in India to hit the capital market in the US. While companies such as Flipkart and Snapdeal are conducting their own due diligence, Homeshop18 has already filed for a \$75-million (Rs. 460 crore) IPO on Nasdaq via its venture NW18 HSN Holdings. The issue has not been priced yet. With this, Homeshop18, which operates a television home shopping network and also runs an online marketplace, becomes the fourth Indian Internet firm to list on Nasdaq after Rediff, Sify and MakeMyTrip. The company is backed by PE firm SAIF Partners, OCP Asia and South Korea's GS Home Shopping.

Coconut water from Dabur

Dabur India is launching packaged coconut water under the Réal Activ brand. In a statement, Praveen Jaipurkar, head of Dabur's foods category, said, "The demand for coconut water is growing by the day as more and more consumers begin to realise the benefits of the natural drink. The launch of Réal Activ Coconut Water will expand our fruit-based beverages category." It will be available in 200-ml bottles priced at Rs. 35. Our Bureau

Shilpa Shetty enters jewellery biz

Bollywood actress Shilpa Shetty Kundra and her entrepreneur husband Raj Kundra have ventured into the jewellery business with the launch Satyug Gold. The company has opened seven stores in Mumbai, Delhi, Jaipur, Ahmedabad, Pune, Chandigarh and Ludhiana. Satyug has tied up with the Indian Bullion and Jewellery Association (IBJA) to launch a limited period offer to buy 24 karats gold jewellery at 37 per cent discount to the prevailing market price, for which it has signed a five-year deal worth Rs. 25 crore.

Flip-flop maker Paragon decides to step up footwear presence with sportswear

For years, West Bengal Chief Minister Mamata Banerjee had used the rubber chappal to send a message across that she was that person next door. But for Paragon, the 39-year old family-owned brand from Kerala, which actually popularised branded rubber chappals in India, this product segment is no more a significant growth driver. The Rs. 1,400-crore footwear maker is instead moving towards trendier products such as sports shoes and non-leather formal footwear, before finally stepping into the larger leather footwear market.

Bajaa.com to raise Rs. 35 cr from two US investors

Online retailer for musical instruments and pro-audio equipment Bajaa.com is raising up to Rs. 35 crore from two US-based investors. In 2010, the e-tailer had raised \$1.1 million angel funding from Kolkata-based entertainment company JMD Telefilms. Confirming the development, Bajaa's Founder and CEO Ashutosh Pandey said since the company is currently under a non-disclosure agreement with the investors, it cannot divulge further details of the deal.

New water purifier from Tata

Tata Chemicals has launched a non-electric water purification solution – Tata Swach Silver Boost. This purifier combines the power of MF membrane with silver nano technology to make water microbiologically safe from virus, bacteria and parasites/cyst along with safety from algae, fungi, rust, metal particles and turbidity, the company said in a release.

Pantaloon looks to bring back the magic of the brand

Pantaloon Fashion and Retail, now part of the Aditya Birla Group, is focusing on private labels, and is looking to enter smaller towns and open more stores. The company, which the Kumar Mangalam-led Birla group acquired from Kishore Biyani's Future Group last April, is also planning to have an online presence in the next 12 months. Since the acquisition, Pantaloon has moved from being a mass brand to an "aspirational" brand. "All the work we did in the last one year is showing results now.

IPL sponsors: Big names falling into place; e-tailers make debut

Advertisers are jumping on to the Indian Premier League (IPL) bandwagon. Perfetti Van Melle, Havells and Amazon have been brought as on-air associate sponsors by Multi Screen Media (MSM), official broadcaster of the cricket tournament. Vodafone will be the co-presenting sponsor, along with Pepsi. The tournament will be broadcast on SET Max and Sony Six from April 16. Rohit Gupta, president, MSM, confirmed the names, saying some more advertisers were expected to come on board as associate sponsors. [Read more..](#)

Now, a quick-service Indian food chain

After a 13-year stint with independent software testing firm AppLabs, Raju Bhupati quit in 2013 to start a venture of his own. After a short span in Reliance Infocomm as assistant sales manager, P Sandeep, Bhupati's cousin, joined him. Together, the two started Hello Curry in 2013. The venture, they claim, is the world's first quick-service restaurant to provide a range of Indian food options. Hello Curry offers Indian food options such as rotis, curries, biryanis and raita in paperboard, microwaveable boxes. It aims to raise the bar in the Indian food delivery segment, promising doorstep delivery in 30-45 minutes. Currently taking orders over the telephone, Hello Curry will soon launch a website.

Premium watch maker Sevenfriday enters India

Zurich-based premium watch manufacturer Sevenfriday has made a foray in India and expects to sell nearly 1,500 pieces by June 2015, a senior company official said. The company has so far sold nearly 100 pieces in India through online platform but has now entered the market by setting up an exclusive store--Excedo Luxuria--in Delhi and is tying up with retailers across the country.

Male grooming takes centre stage

Hindustan Unilever (HUL) plans to extend Ponds, one of its largest women care brand, into male grooming range. HUL will launch Ponds face wash and moisturiser for men in the next three months, two marketing officials at the top consumer products firm told ET. Similar products from Ponds were launched in Indonesia and Philippines a few weeks ago, they said. An HUL spokesperson said that the company does not comment on future plans or market speculation as a policy. Ponds, for long positioned as a cold cream in India, has a host of women skin-care products now and is among the top 10 brands for HUL with sales of over 1000 crore a year. So far, HULs presence in male-grooming market has been restricted to deodorant brand Axe and skincare brands Fair & Lovely Max and Vaseline for Men.

MERGERS AND ACQUISITIONS

CK Birla group buys Hind Motors arm

The CK Birla group has acquired Hindustan Motors Finance Corporation Ltd (HMFCL), a wholly-owned subsidiary of the ailing automaker Hindustan Motors Ltd. In a statement to stock exchanges, Hind Motors said on April 1, 2014 it handed over the possession of the Chennai car plant to HMFCL without making any reference to its ownership change. The company added that the necessary approvals of the lenders and the Tamil Nadu Government with respect to the transfer and other necessary approvals "are under process".

Gene analyser Xcode and salon chain Naturals working on tie-up

Would you like to get your genome sequenced before you decide on your facial care formulation? You may hear beauticians at a local salon asking this question not too far in the future. Saleem Mohammad, Co-founder of genome sequencing start-up Xcode Life Sciences, and CK Kumaravel, the man behind Naturals, a salon chain which runs over 300 salons and spas, are hammering out a tie-up which will help customers tailor a facial care package based on their genetic make up. The idea is to get a customer's gene profiled to gauge the individual's chances of quicker skin ageing – lowered collagen activity -- which could reflect as scaly or dry skin.

Suzlon acquires wind park from US' Edison Mission Energy

Suzlon Group has acquired Big Sky wind park from US-based Edison Mission Energy (EME) for an undisclosed amount. The Pune-based group has acquired the park through its wholly-owned US subsidiary Suzlon Wind Energy Corp (SWECO). The wind park, situated in Illinois, consists of 114 S88 turbines. Following this acquisition, Big Sky will become Suzlon's biggest wind park in the US and one of the best performing installations in the country, Suzlon said in a regulatory filing.

Brookfield to buy Unitech Corporate Park subsidiary

Canada-based global real estate giant Brookfield has offered to acquire Candor Investments, a fully-owned Unitech Corporate Parks (UCP) Plc subsidiary that owns stakes in real estate projects in the National Capital Region (NCR) and Kolkata. According to an exclusivity agreement signed between Brookfield and UCP, an entity listed on the Alternative Investment Market of the London Stock Exchange (LSE), the transaction is to be concluded in 45 days. Candor Investments, through its subsidiaries, holds a 60 per cent stake in six properties, valued at Rs 10,000 crore — two in Gurgaon, three in Noida and one in Kolkata — while the Unitech group owns rest of the equity.

Sun blazes with \$4-billion Ranbaxy buy

Drugmaker Sun Pharma sent ripples across the pharmaceutical industry on Monday morning as it agreed to buy out the troubled Ranbaxy in a \$4-billion (including \$800-million debt), all-stock deal, in the process creating India's largest drug company. The landmark deal also makes the combined Sun-Ranbaxy entity the fifth largest generic drug-maker in the world, with estimated revenues of \$4.2 billion for the year ended December 31, 2013. The mega-deal underlines Sun Pharma Managing Director Dilip Shanghvi's image as a "risk-taker", since Ranbaxy is currently under intense scrutiny from the US Food and Drug Administration for compliance lapses at four of its manufacturing facilities in India. [Read more..](#)

Doha Bank eyes acquisitions in India for quick growth

Qatar-headquartered Doha Bank is open to acquiring financial institutions or private sector banks in India to expand its footprint swiftly. The bank, which plans to open its first branch in Mumbai next month, is also looking to expand through the subsidiary route, said Chief Executive Officer R Seetharaman. Seetharaman said Doha Bank, which received the RBI's go-ahead late last year, will offer corporate and retail banking, treasury and trade finance services to its customers in India. Besides, it will offer remittance solutions to Indian expatriates in West Asia. Pointing out that the number of retail customers the bank could cater to would depend on its branch network.

Vodafone buys out Analjit, Piramal from Indian arm for Rs 10,000 crore

Billionaires Ajay Piramal and Analjit Singh have sold their stakes in Vodafone India to Vodafone Group Plc, enabling the British telecom major to take full control of its local telecom venture. While Piramal Enterprises, the Ajay Piramal Group flagship, sold the 10.97% stake for Rs 8,900 crore, Singh sold his 24.65% holding for Rs 1,241 crore. Both the deals were first reported on April 11, 2014. Piramal Enterprises sold its entire stake for Rs 1,960 per share, securing a gain of Rs 3,000 crore — or 52% return — in just two years. The pharma-to-real estate company had bought the Vodafone stake in two tranches — in August 2011 and February 2012 — paying a total of Rs 5,864 crore, or Rs 1,290 per share.



PERSONS IN NEWS

Noel Tata takes over as Trent boss



Noel Naval Tata, brother-in-law of Tata group Chairman Cyrus Mistry, has taken over as the chairman of retail arm Trent. He succeeds F K Kavarana, who retired from the Tata group after turning 70 this month.

Anil Agarwal is Sesa's chairman emeritus



In a major overhaul of its Board, Vedanta group firm Sesa Sterlite today said its Non-executive Chairman Anil Agarwal will now become Chairman Emeritus and play the role of Chief Mentor.

Govt appoints R Gandhi as RBI deputy governor



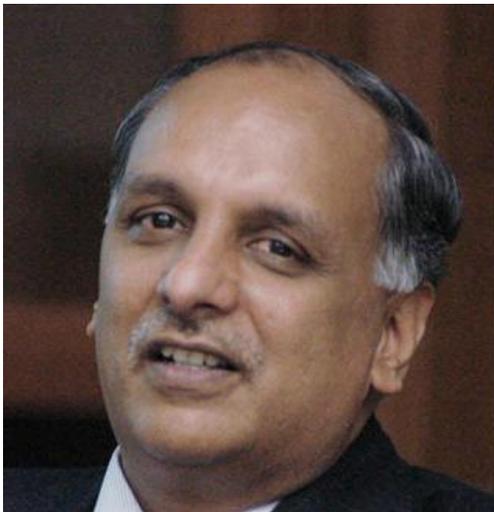
The government has appointed R Gandhi as deputy governor of the Reserve Bank of India (RBI). Gandhi, 58, who has been handed over a three-year term, succeeds Anand Sinha who retired in January. Prior to this, Gandhi was an executive director of the central bank.

Jignesh Shah quits IEX board



Jignesh Shah has quit the board of Indian Energy Exchange (IEX) amid his group grappling with multiple woes in the wake of the Rs 5,600-crore payment crisis at the National Spot Exchange Ltd (NSEL). Financial Technologies (India) Ltd (FTIL), founded by Shah and also the flagship firm of his group, is the promoter as well as largest shareholder in the exchange.

R Chandrasekaran is new Nasscom Chairman



R Chandrasekaran, Executive Vice-Chairman of Cognizant India, is taking over as Chairman of software industry body Nasscom from Krishnakumar Natarajan, CEO and MD of Mindtree. Nasscom's Executive Council appointed BVR Mohan Reddy, Founder, Chairman and Managing Director of Infotech Enterprises, as Vice-Chairman.

Start Ups

Ex-Lupin honcho becomes an angel for start-ups

Satish Khanna, former group president at Mumbai-based Lupin, is a known figure in the pharmaceutical industry for his advisory skills. Currently, he is pursuing his passion in nurturing start-ups with an active investor role. Since his retirement in 2011, he has worked with entrepreneurs and invested over a million dollars in six start-ups. “In typical PE (private equity)/VC (venture capital) investment, fund managers contribute in the growth of the investee company. But, barring a few, involvement is limited to having board seats, receiving reports, contributing to the growth from the surface and waiting for the exit with intended returns. Hence, there is a strong need for the emergence of a new category of investors, called active investors,” said Khanna. At present, he is associated with companies such as Fullife Healthcare, Kagashin, Hi Tech, Provivi, Status Quo and Concord. Young entrepreneurs require regular support in fine-tuning their evolving business model, creating the right kind of global business network and they also require on-going guidance to handle a variety of challenges they come across during start-up or scaling-up of business, says Khanna.