

Financial Pulse 5.0

February 2015

Modi launches new domestic lighting scheme

PM Narendra Modi launched a scheme for distribution of LED bulbs, under National Programme for LED-based Home and Street Lighting. Under the scheme, consumers in Delhi will be able to request for LED bulbs under the Domestic Efficient Lighting Programme through a new website (www.eeslindia.org/Delhi-Launch). Consumers will pay Rs. 130 per LED bulb as compared to market prices, which range from Rs. 350 to Rs. 600. **Read more:**



<http://www.livemint.com/Politics/7SdZLRHJo8jONpPcumINJK/PM-Modi-launches-scheme-for-LED-bulb-distribution-in-Delhi.html>

SBI Floats Plan to Merge UTI MF with Asset Management Arm

State Bank of India has initiated a proposal to acquire UTI Mutual Fund and merge it with its asset management arm SBI Mutual Fund. The merger plan, if it does pass muster, will create India's biggest mutual fund by assets while giving the country's biggest bank a majority stake in such an entity as well as a dominant role in the mutual fund business where it today is one of many players. SBI already owns 18.5% stake in UTI Mutual Fund. **Read more:** <http://economictimes.indiatimes.com/mf/mf-news/state-bank-of-india-floats-plan-to-merge-uti-mutual-fund-with-asset-management-arm-sbi-mutual-fund/articleshow/45784036.cms>

Scrapping 80:20 scheme pays off, gold imports fall to 39 tonnes in December

Gold imports came down substantially in December after the government scrapped a rule that mandated traders export one-fifth of the gold consignment imported into the country. The trend has continued in January. Gold imports fell to 39 tonnes in December and were placed at 7 tonnes in the first week of January, compared to 152 tonnes in November. **Read more:**



<http://economictimes.indiatimes.com/news/economy/policy/scrapping-8020-scheme-pays-off-gold-imports-fall-to-39-tonnes-in-december/articleshow/45800331.cms>

E-rickshaws now get legal status



The President has given his nod to amend the Central Motor Vehicles Act (CMVA). With this, e-rickshaws and e-carts can be registered by Regional Transport Offices, and will

have to comply with rules regarding display of registration marks, size of letters and numerals of the registration mark, transfer of ownership and validity of certificates and fitness. **Read more:** <http://www.thehindubusinessline.com/todays-paper/tp-news/erickshaws-now-get-legal-status/article6765265.ece>

Services sector PMI dips in December

Business activity eased (51.1 in December against 52.6 in November) along with a moderation in new business flows (51.8 against 52.5 in November), according to the HSBC services Purchasing Managers Index (PMI) released on Tuesday. A reading above 50 indicates that the services sector is generally expanding.

Niti Aayog

The government scrapped the Planning Commission, which it criticized as an institution that has outlived its relevance, and replaced it with what it proposes to be a more contemporary body called Niti Aayog, or **National Institution for Transforming India**. The new institution will also have a governing council that will include state chief ministers and lieutenant governors of Union territories.

Chairman: PM Narendra Modi

Vice-chairman: Arvind Panagariya

CEO: Sindhushree Khullar

RBI cut SLR by 50 basis points (or statutory liquidity ratio) from 22% to 21.5%. RBI unexpectedly cut interest rates for the first time in nearly two years on earlier (15th Jan) 25 basis points (bps) to 7.75% from the current 8%, citing easing pressure on prices, weak demand and lower inflation expectations of households.



Spice Jet Flies Back to Ex-Owner Ajay Singh

Budget carrier SpiceJet announced its third change of ownership in a decade, with control circling back to original co-promoter Ajay Singh, who's looking to pull off a rescue act. **Read more:**



<http://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/spicejet-revival-plan-marans-kal-to-transfer-ownership-to-ajay-singh/articleshow/45898017.cms>

Trade Deficit Hits 10-month Low on Falling Crude Prices

Exports contracted by 3.77% and Imports declined by 4.78% in December, narrowing the trade gap to \$9.4 billion, the lowest since February last year. India's trade deficit narrowed to a 10-month low in December despite a contraction in exports as a slump in crude oil prices and lower gold purchases caused imports to drop at a faster pace. Non-oil and non-gold imports rose at a healthy pace, suggesting strength in the domestic economy. **Read more:**

<http://economictimes.indiatimes.com/news/economy/finance/trade-deficit-in-december-hits-10-month-low-on-falling-crude-prices/articleshow/45905399.cms>

Cabinet approves phase III auction of private FM radio channels

The Cabinet on Friday gave its nod for phase-III auctions of private FM radio channels. It also cleared migration/renewal of licences from Phase II to III for 135 channels in 69 cities. **Read more:**

<http://www.thehindubusinessline.com/todays-paper/cabinet-approves-phase-iii-auction-of-private-fm-radio-channels/article6795274.ece>

Vibrant Summit: FM Arun Jaitley hopes for low rates from 'responsible' RBI

Finance minister Arun Jaitley again made a case for low interest rates, hoping that the Reserve Bank of India (RBI) will take note of the fall in food inflation and lower oil prices in recent months. "There is a case for lower interest rate. RBI is a responsible institution and I hope know they will take a note of all this," he said. Jaitley was replying to a question from RILBSE -0.68 % boss Mukesh Ambani on where should one expect interest rates to head going forward, at the Vibrant Gujarat Summit. **Read more:**

http://economictimes.indiatimes.com/articleshow/45847171.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Mexico awards \$386-million hydro project to China-backed consortium

Mexican state power company CFE has awarded a \$386.4 million contract to build a 240 Megawatt (MW) hydroelectric power station in southern Mexico to a consortium comprising a unit of China's Sinohydro Corp. The plant, known as Chicoasen II, is expected to provide 537,000 homes with electricity in the southern state of Chiapas. The project is due to be built in an estimated 42 months.

Read more at:

http://economictimes.indiatimes.com/articleshow/45838739.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Post-2015 agenda must contribute to social development: India

UNITED NATIONS: As the international community embarks to adopt the post-2015 development agenda, India has stressed that the ambitious goal must contribute in shaping equitable, just and growth-led sustainable social development. **Read more at:**



http://economictimes.indiatimes.com/articleshow/46142933.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

TaxiForSure launches rickshaw service

TaxiForSure launched its app-based auto rickshaw service in Bengaluru. In the first phase, TaxiForSure will launch 500 autos and plans to double the number in the near future. It has partnered with Three Wheels United (TWU), a Bengaluru-based for profit social enterprise that gives auto drivers access to loans and other financial help. **Read more:** <http://www.thehindubusinessline.com/todays-paper/tp-others/tp-states/taxiforsure-launches-rickshaw-service/article6795350.ece>

General Motors plans fresh move into electric car market: Report

General Motors Co plans to offer a new electric car model with a style and price-point that can compete with the popular Tesla Model S sedan, the Wall Street Journal reported on Friday. The \$30,000 electric vehicle called the Chevrolet Bolt, expected to debut commercially in 2017, will be able to drive 200 miles on a charge and is intended to cut into a market where Elon Musk's Tesla Motors Inc has been an investor darling. **Read more at:** http://economictimes.indiatimes.com/articleshow/45838763.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

UK's OPG Power Ventures to invest 1.5 billion pounds in Gujarat

British energy giant OPG Power Ventures will further invest 1.5 billion pounds in Gujarat, a visiting UK Minister said here today. It has completed construction of a 300 MW thermal power plant in Kutch, in which it has invested 400 million pounds, an official release said. The UK-registered company is employing 600 people in India and is listed on the London stock exchange since 2008, it said. **Read more at:**

http://economictimes.indiatimes.com/articleshow/45837288.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Apple granted patent for GoPro-like wearable cameras

Apple Inc has been granted a patent for a wearable camera that could possibly challenge action cameras made by GoPro Inc. The patent, which cites specific weaknesses in GoPro's cameras, includes details about a camera system that can be mounted on bike helmets or scuba masks, Apple said in an application filed with the U.S. Patents and Trademark Office. **Read more at:** http://economictimes.indiatimes.com/articleshow/45878342.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Apple India to halve credit period and slash retail margins by 0.5-1 percentage point

Apple India plans to halve the credit period it gives retailers to seven days and slash margins by 0.5-1 percentage point, it said in a trade advisory, seemingly taking advantage of a surge in iPhone sales to assert itself. The advisory is aimed at standardizing trade terms, boosting Apple's profitability and reducing the scope of any predatory discounting by e-commerce firms, which the company considers to be disruptive of pricing and demand. **Read more at:** http://economictimes.indiatimes.com/articleshow/45847136.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

With OPEC keeping output steady, oil may trade at \$40: Goldman Sachs

Goldman Sachs said US oil prices need to trade near \$40 a barrel in the first half of this year to curb shale investments as it gave up on OPEC cutting output to balance the market. The bank reduced its forecasts for global benchmark crude prices, predicting inventories will increase over the first half of this year, according to an emailed report. Excess storage and tanker capacity suggests the market can run a surplus far longer than it has in the past, said Goldman analysts. **Read more at:**

http://economictimes.indiatimes.com/articleshow/45861404.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Reliance Communications outsources call centre, shared services operations to Vertex

Anil Ambani-led telecom operator Reliance Communications BSE -6.94 % has awarded a near Rs750-crore deal to the Indian unit of UK-based Vertex to outsource its call centre and shared services operations in an aggressive restructuring move aimed at exiting non-core businesses and reducing customer care support costs by at least a fifth. Under the deal with the thirdparty service provider, nearly 5,500 RCOM employees involved in the call centre and shared services functions have moved to Vertex's rolls, a development that has resulted in reduction of India's fourth largest mobile carrier's 13,500-strong workforce by about 40%. **Read more at:** http://economictimes.indiatimes.com/articleshow/45862247.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Forex reserves touch all-time high of \$327.88B

India's foreign exchange reserves surged by USD 5.84 billion to touch a fresh life-time high of USD 327.88 billion in the week to January 30, the Reserve Bank today. In the previous reporting week, the reserves had declined marginally by USD 97.9 million to USD 322.037 billion. The previous record high was USD 322.13 billion recorded for the week ended January 16. **Read more at:** <http://www.vccircle.com/news/economy/2015/02/06/forex-reserves-touch-all-time-high-32788b>



Energy leads Wall Street to second straight down day

US stocks fell for a second straight session on Monday, led by another sharp decline in energy shares as oil prices tumbled more than 5 per cent and concern grew ahead of the start of corporate earnings season. The Dow Jones industrial average fell 91.29 points, or 0.51 per cent, to 17,646.08, the S&P 500 lost 16.23 points, or 0.79 per cent, to 2,028.58 and the Nasdaq Composite dropped 39.36 points, or 0.84 per cent, to 4,664.71. **Read more at:** http://economictimes.indiatimes.com/articleshow/45862223.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Infosys adopts new metric to evaluate success of its innovation-related initiatives

Infosys BSE 2.41 % has adopted a new metric to evaluate the success of its innovation-related initiatives, kick-starting measures under chief executive Vishal Sikka's plan to make the country's second-largest software exporter the next generation services company by embracing disruptive technologies, including automation and artificial intelligence. The Bengaluru-based company, which announced its results for the quarter to December last Friday, became the first software exporter in India to introduce 'revenue per FTE (fulltime equivalent)'. **Read more at:** http://economictimes.indiatimes.com/articleshow/45878284.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Wipro Enterprises gets nod for share capital reduction

Azim Premji-owned Wipro Enterprises Limited today secured its shareholders' approval to a proposal to reduce share capital to provide an exit option to non-promoter shareholders. "The resolution for capital reduction was passed with an overwhelming majority in the Extraordinary General Meeting of Wipro Enterprises Limited (WEL)," a company statement said late tonight. **Read more at:** <http://economictimes.indiatimes.com/articleshow/45878495.c>

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World Bank expects Russia's economy to contract by -2.9 per cent in 2015

The World Bank expects Russia's economy to contract by 2.9 per cent in 2015, it said in a report on global economic growth on Wednesday, cutting its forecast from December when it expected a 0.7 per cent contraction. The bank also predicted 0.1 per cent growth in 2016 and 1.1 per cent growth in 2017, following 0.7 per cent growth in 2014. It cut its global growth forecast for 2015 and next year due to poor economic prospects in the euro zone, Japan and some major emerging economies that offset the benefit of lower oil prices. **Read more at:** http://economictimes.indiatimes.com/articleshow/45882454.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Jan Dhan, anti-black money steps major achievements: Finance Ministry

Listing its salient initiatives, the union finance ministry Sunday cited the Pradhan Mantri Jan Dhan Yojana (PMJDY), the Varishtha Pension Bima Yojana (VPBY) and actions taken to curb black money as its major achievements in the seven months of the



NDA rule. **Read more at:** http://economictimes.indiatimes.com/articleshow/45668702.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Kotak Bank Q3 net up 37% on higher interest income but Street estimate unmet

Kotak Mahindra BSE -0.26 % Bank's earnings for the December quarter rose by 37% supported by an increase in interest and other income and lower provisions, and the bank said that economic activity

is beginning to accelerate with the new government pushing for ease of business. The bank's net profit increased to Rs 465 crore, from Rs 340 crore a year ago. Its consolidated net profit, which includes insurance investment banking and broking, rose 21.2% to Rs 716.6 crore from Rs 591.2 crore in the same period a year ago. **Read more at:** http://economictimes.indiatimes.com/articleshow/45951390.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Goldman's top economist Jan Hatzius answers the 8 most important questions for 2015

Will the US economy continue to grow above trend?

Yes. Domestic strength should offset weakness from other economies.

Will the dollar appreciation weigh on growth?

Yes, but it's manageable in the short term because of lower oil prices.

Will the housing recovery accelerate?

Yes, especially in the single family sector. Household formation should improve as young adults move out of their parents' homes. Read more at:

http://economictimes.indiatimes.com/articleshow/45696467.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst



WEF 2015: CEOs say US more attractive to investors than China, says PwC survey

Amid growing concerns over the global economy, the United States has overtaken China as the No. 1 investment destination among chief executives around the world, a survey found Tuesday. That's the first time the US has topped the list since accounting and consulting firm PricewaterhouseCoopers, or PwC, first started asking the question five years ago. **Read more at:** http://economictimes.indiatimes.com/articleshow/45959915.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Euro slumps after ECB launches bond-buying program to revive economy

The euro sank to a more than 11-year low against the dollar and a three-month low against the yen on Thursday after the European Central Bank launched a landmark bond-buying program that will pump hundreds of billions into a sagging euro zone economy. The ECB said it would buy government bonds from this March until the end of September 2016 despite opposition from Germany's Bundesbank and concerns in Berlin that it could allow spendthrift countries to slacken economic reforms. **Read more at:**

http://economictimes.indiatimes.com/articleshow/45984718.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

FoodPanda Acquires JustEat's India Operations

Rocket Internet backed food ordering venture, FoodPanda has acquired the India operations of JustEat housed under Achindra Online Marketing Private Limited. In return, the UK based parent, JustEat



Holding, will get a minority stake in FoodPanda.

Read more at: <http://www.dealcurry.com/2015026-FoodPanda-Acquires-JustEat-s-India-Operations.htm>

Sebi to hire senior officials to tighten its recovery process

The Securities and Exchange Board of India is set to strengthen its search and seizure team that will initiate recovery by hiring senior officials at the rank of assistant commissioner of income tax and inspectors on deputation from the department of income tax, custom, excise, service tax and other departments. A recent amendment of the Sebi Act has given its board powers to conduct search and seizure operations but it wasn't getting applicants

with the right skills and expertise. Sebi now takes officers on deputation only in Grade D and above from the government or any other organisation. The amendment allows the regulator to induct officers in Grade C, B and A from the government or any other organisation.

Read more at:

http://economictimes.indiatimes.com/articleshow/45972725.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Mirach Capital hits back at Sahara, offers to buy out overseas hotels

Hitting back at Sahara, US-based Mirach Capital on Friday rejected accusations of indulging in forgery and counter-accused the Indian group of walking out of the Rs.2 billion loan arrangement fearing repayment defaults. Mirach refused to comment on earlier claims that the banker arranged by it for the deal was Bank of America Corp., whose denial being party to any such transaction blew the lid on the alleged forgery.

Read more at:
<http://www.vccircle.com/news/finance/2015/02/06/mirach-capital-hits-back-sahara-offers-buy-out-overseas-hotels>



Oil price drop means great opportunity, but don't rush in: Carl Icahn

Billionaire investor Carl Icahn, whose own portfolio is stocked with oil companies, said on Thursday that he expects the price of oil to fall further but expects it to recover in the future as the demand for oil is bound to increase. "I believe that oil will go lower," he said in an interview on CNBC, calling oil a "great opportunity." But, he added, "I wouldn't rush in now on oil." Crude prices have collapsed by more than half since June, sending share prices for many energy companies sharply lower.

Read more at:
http://economictimes.indiatimes.com/articleshow/45984796.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Jack Ma wants Alibaba to surpass Walmart in 10 years

Looking to provide a platform to millions of small businesses globally, Alibaba's founder Jack Ma wants his e-commerce company to surpass brick-and-mortar retail giant Walmart in sales in next 10 years. Speaking at the 45th World Economic Forum Annual Meeting Jack Ma, who is also China's richest man, said he aims to serve 2 billion consumers and help 10 million small businesses outside China sell their products through the Internet.

Read more at:
http://economictimes.indiatimes.com/articleshow/45995118.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

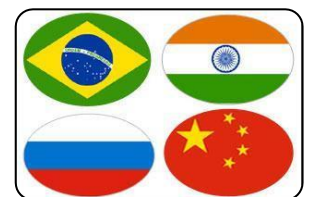
WEF 2015: China's economy not heading for 'hard landing', says PM Li Keqiang

China's economy is not set for a sharp slow down, Prime Minister Li Keqiang told business and government elites gathered in Davos on Wednesday, as he sought to allay fears over the Asian giant's growth outlook. "What I want to emphasise is that regional or systemic financial crises will not happen in China and that the Chinese economy will not head for a hard landing," Li said.

Read more at:
http://economictimes.indiatimes.com/articleshow/45972961.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

India grows faster than BRICS

Manufacturing activity in the emerging market economies as measured by the HSBC Emerging Markets Index (EMI) slumped for the third straight month. The index reading for February dropped to 51.1 which was the lowest reading since September 2013. The



weakness was more from manufacturing as services improved slightly. **Read more at:** <http://www.vccircle.com/news/finance/2015/02/06/india-grows-faster-brics>

'Make in India campaign' touches right chord at WEF: Shriprakash Shukla

Terming the mood upbeat about India story at the just-concluded WEF summit, diversified conglomerate Mahindra and Mahindra's top official Shriprakash Shukla said investors across sectors made enquiries here about potential collaborations. Shukla, who is Group Strategy chief at M&M and also heads Mahindra group's defence venture, said there was an upbeat mood about India at WEF Annual Meeting, which ended last night. **Read more at:** http://economictimes.indiatimes.com/articleshow/46010206.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

UCO Bank To Raise Funds From LIC

Kolkata based UCO Bank is issuing 6,08,82,550 equity shares to state owned insurer, Life Insurance Corporation of India. The issue price has not been decided yet, however at the current



market price, the issue would fetch close to R430 Cr. Currently LIC holds 8.6% stake in the bank, post the issue LIC's stake would rise to 13.86%. **Read more at:** <http://www.dealcurry.com/2015026-UCO-Bank-To-Raise-Funds-From-LIC.htm>

MakeMyTrip Picks Up Stake In Simplotel Technologies

Nasdaq listed travel manager, MakeMyTrip has picked up a minority stake in Bengaluru based hotel marketing solutions provider, Simplotel Technologies Private Limited. The investment was made through the recently carved out Innovation Fund. MakeMyTrip has also committed to make a

further investment by June 2015, which will increase its total equity shareholding in Simplotel to approximately 25%.

Stock Review

Top Performers (All Companies)

| | CMP | Gain Percent |
|--------------------|--------|--------------|
| 1. Elegant Marble | 94.55 | 19.46% |
| 2. Viji Finance | 141.30 | 17.85% |
| 3. Rasandik Engg | 38.95 | 16.97% |
| 4. Aagam Capital | 69.50 | 15.83% |
| 5. Atishay Infotec | 23.00 | 15.00% |

Top Performing sectors

| | Gain percent |
|---------------------------|--------------|
| 1. Airlines | 1.23% |
| 2. FMCG | 0.75% |
| 3. Information Technology | 0.71% |
| 4. Finance | 0.51% |

Worst Performers (All Companies)

| | CMP | loss percent |
|--------------------|-------|--------------|
| 1. Ybrant Digital | 33.30 | 19.76% |
| 2. Maan Aluminium | 38.00 | 18.19% |
| 3. Tips Industries | 47.75 | 17.32% |
| 4. Cressanda Sol | 20.90 | 15.38% |
| 5. Spenta Intl | 38.35 | 14.87% |

Worst Performing Sectors

| | Loss percent |
|--------------------|--------------|
| Rubber | 9.95% |
| Tyres | 3.55% |
| paper | 3.15% |
| Gems and Jewellery | 2.96% |
| Auto Ancillaries | 2.63% |
| Telecom | 0.28% |

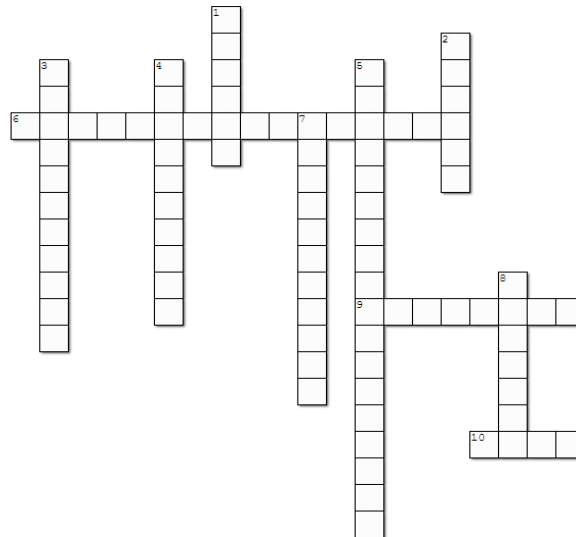
Exchange Rates

Indian Rupee

| Commodities | | Unit | | Indian Rupee |
|--------------------|---------------|----------|-------------------|--------------|
| | Price | | US dollar | 62.04 |
| Gold | 26,802.00inr | 10 gm | Euro | 70.20 |
| Silver | 37,024.00 inr | 1 Kg | British Pound | 94.60 |
| Crude oil | \$52.135 | 1 barrel | Australian dollar | 48.40 |
| | | | Canadian dollar | 49.55 |
| | | | Swiss franc | 66.98 |
| | | | Chinese Yuan | 9.93 |
| | | | Malaysian ringgit | 17.49 |

CROSSWORD

Complete the crossword below



Across

- 6. full form of CVP
- 9. a type of liquidity ratio
- 10. value of forward contract at its initiation

Down

- 1. swap transaction whre two fixed floating currency swaps are combined to form a fixed to fixed currency swap
- 2. account maintained by dubai with SBI mumbai
- 3. method to increase the number of outstanding shares by proportionately reducing the face value of a share
- 4. cost that affect the balancing nature of retained earnings
- 5. full form of EVA
- 7. central bank of china
- 8. expense that gives benefit for a period of less than twelve months

Send in your answers by February 15, 2014. Winners will be declared in the next issue.