

NEWS ALERT

DAILY NEWSLETTER



THOUGHT FOR THE DAY: “Planning is an unnatural process; it is much more fun to do something. The nicest thing about not planning is that failure comes as a complete surprise, rather than being preceded by a period of worry and depression.”

AROUND THE WORLD

1. American consumer prices decreased by 0.1% in March on a seasonally adjusted basis
2. China’s GDP grew by 6.1% in the year to the first quarter, its slowest pace since records began in 1992. still growth in industrial production , retail sales and investment led the government to claim that its stimulus plan is working.
3. Wholesale prices in Germany were 8% lower in March than a year earlier, having fallen by 0.9% since February.
4. Singapore’s economy contracted by a record 11.5% in the year to the first quarter.

COMPANIES AND INDUSTRY

- ◆ COGNIZANT TECH SOLUTIONS IN TALKS TO BUY UK FIRM PA FOR \$ 350 BILLION
- ◆ INFOSYS LOSES \$996 MILLION AS INDIAN ADRS DROP \$523 MILLION
- ◆ ELECTRIC VEHICLES LIKELY TO GROW BY 40-45%
- ◆ US FOOD AND DRUGS ADMINISTRATION (FDA) FINDS DEFECTS IN CIPLA’S BANGALORE PLANT
- ◆ TELCOS MAY FACE SHARE PLEDGE BAN
- ◆ NARAYAN MURTHY TO START A NEW PE FUND TO INVEST IN NEW IDEAS

ECONOMY

- ◆ INDIA THIRD LARGEST EXPORTER OF RICE AFTER THAILAND AND VIETNAM
- ◆ NO BAN ON SUGAR FUTURES FOR NOW
- ◆ PM EXPECTS ECONOMY TO GROW 6.5-7% THIS FISCAL
- ◆ GOLD SILVER IMPORTS MAY PICK UP MOMENTUM SOON

INTEREST RATE SPECTRUM (%)

CRR	5.0
REPO RATE	5.0
REVERSE REPO	3.5
10 YR GOVT PAPER	6.5
CALL RATE	3.6
PLR RANGE (TOP 5 BANKS)	12.25-16.75
US\$ LIBOR (6 Months)	1.64

INTERNATIONAL FINANCIAL REPORTING SYSTEM (IFRS) ISSUES

- ◆ India plans to converge with IFRS approach by 2011 and large sized entities can take even two years adopting it.
- ◆ Indian accounting standards are rule based, which means they dictate the method in which the items are to be treated.
- ◆ IFRS requires fair value concept but Indian standards are generally based on historical cost or carrying value approach.
- ◆ The government should step up the process of regulatory changes, including tax legislation, both direct and indirect.
- ◆ The ICAI should significantly expedite its endeavors on IFRS training and accreditation, and ensures that enough IFRS resources are available in the future.

“Feudalism led to Satyam fiasco”-
NARAYAN MURTHY

What happened in Satyam is that it was a huge scandal. Nobody could stand up and say what is happening is wrong. Even those who thought did not have the courage and were not in an environment to say that it was wrong.