

MARKET WATCH		
	07-01-2020	% CHANGE
Sensex	40,869	0.47
US Dollar	71.82	0.15
Gold	41,210	-1.0
Brent oil	68.38	-1.31

NIFTY 50		
	PRICE	CHANGE
Adani Ports	384.80	4.60
Asian Paints	1724.40	17.25
Axis Bank	725.75	2.50
Bajaj Auto	3037.95	0.30
Bajaj Finserv	9095.65	52.95
Bajaj Finance	4007.65	10.95
Bharti Airtel	445.10	-4.55
BPOCL	461.00	-8.15
Britannia Ind	3036.60	14.55
Cipla	468.60	1.85
Coal India	205.70	0.00
Dr Reddys Lab	2884.20	5.35
Eicher Motors	20803.80	-56.65
GAIL (India)	124.45	0.10
Grasim Ind	742.30	5.30
HCL Tech	584.25	2.25
HDFC	2415.05	30.95
HDFC Bank	1260.60	19.65
Hero MotoCorp	2348.05	-20.10
Hindalco	208.85	-0.45
Hind Unilever	1920.70	5.25
ICICI Bank	522.90	-2.80
IndusInd Bank	1461.65	-7.75
Bharti Infratel	238.25	-4.50
Infosys	727.90	-10.95
Indian OilCorp	124.55	-0.35
ITC	235.35	0.25
JSC	265.25	1.00
Kotak Bank	1670.85	18.30
L&T	1320.50	3.75
M&M	526.65	2.15
Maruti Suzuki	7073.60	31.20
Nestle India Ltd.	14290.75	-125.90
NTPC	120.55	1.65
ONGC	125.75	-0.50
PowerGrid Corp	191.70	-1.40
Reliance Ind	1524.60	23.10
State Bank	318.40	-0.60
Sun Pharma	446.40	6.45
Tata Motors	184.70	-0.95
Tata Steel	476.10	2.85
TCS	2205.85	5.40
Tech Mahindra	777.10	6.70
Titan	1159.95	1.35
Ultra Tech Cement	4242.10	85.00
UPL	596.05	10.10
Vedanta	156.00	5.45
Wipro	255.20	3.05
YES Bank	45.05	-0.10
Zee Entertainment	267.75	6.25

EXCHANGE RATES		
Indicative direct rates in rupees a unit except yen at 4 p.m. on January 07		
CURRENCY	TT BUY	TT SELL
US Dollar	71.63	71.95
Euro	80.08	80.44
British Pound	93.96	94.39
Japanese Yen (100)	66.07	66.37
Chinese Yuan	10.32	10.37
Swiss Franc	73.80	74.13
Singapore Dollar	53.08	53.32
Canadian Dollar	55.17	55.44
Malaysian Ringgit	17.50	17.59
Source:Indian Bank		

BULLION RATES CHENNAI		
January 07 rates in rupees with previous rates in parentheses		
Retail Silver (1g)	51.2	(52.2)
22 ct gold (1 g)	3863	(3896)

₹104.34 crore refund to RCom upheld

LEGAL CORRESPONDENT
NEW DELHI

In a relief to Reliance Communications (RCom), the Supreme Court on Tuesday upheld an order by the Telecom Disputes Settlement and Appellate Tribunal (TDSAT) to the government to refund ₹104.34 crore to the telecom company.

A Bench led by Justice Rohinton Nariman confirmed the tribunal's decision of December 21, 2018, while rejecting the contention of the Department of Telecom (DoT) that RCom is under liquidation and continuously defaulting on spectrum deferred payments.

"There is consequently logic and merit in the contention of RCL/RTL (RCom) that the Union unreasonably refused to refund the excess amounts," the court concluded.

Reliance Retail shares trade at 33% premium in unlisted market, foxes analysts

RIL itself valued the firm at ₹375 per share, but unlisted market sees it at ₹500

PIYUSH PANDEY
MUMBAI

Shares of Mukesh Ambani-led Reliance Retail are trading at a 33% premium or at ₹500 a share in the unlisted market compared to the value of ₹375 a share arrived at by the swap ratio announced by parent Reliance Industries Ltd. for its retail arm.

On December 25, RIL proposed a swap ratio of 4:1, which implied investors could get one share of RIL for every four shares held in Reliance Retail, valuing the retail business at ₹2.4 lakh crore then.

At the current asking price of ₹500 for one Reliance Retail share in the unlisted market, the retail arm

Govt. may cut spending to curb deficit

Coming on the back of poor private investment, move may hurt economic growth further: analysts

REUTERS
NEW DELHI

The government is likely to cut spending for the current fiscal by as much as ₹2 trillion (₹2 lakh crore) as it faces one of the biggest tax shortfalls in recent years, three government sources said.

Asia's third-largest economy, which is growing at its slowest pace in over six years because of lack of private investment, could be hurt further if the government cuts spending.

But with a revenue shortfall of about ₹2.5 trillion, the government has little choice to keep its deficit within "acceptable limits", the first official, who did not want to be named, told Reuters.

The Centre has spent about 65% of the total expenditure target of ₹27.86 trillion till November but reduced the pace of spending in October and November, according to government data.

A ₹2 trillion reduction would be about a 7% cut in total spending planned for the year. In October and November, government spending increased by ₹1.6 trillion, nearly half the ₹3.1 trillion it spent in September. Lack of demand and weak corporate earnings growth in the economy led to lagging tax collections this year. Analysts said growth will be hurt.



A question of money: The Centre is likely to keep the fiscal deficit under 3.8% of gross domestic product while letting it slip from its earlier set target of 3.3% for the year. ■ REUTERS

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nearly half the ₹3.1 trillion it spent in September. Lack of demand and weak corporate earnings growth in the economy led to lagging tax collections this year. Analysts said growth will be hurt.

"When the private investment has slowed so much, this will definitely drag down growth further," said Rupa Rega Nitasure, chief economist at L&T Financial. Economic growth slowed

Reserve Bank to tap market supply for specialised supervision, regulation cadre

Internal promotions to still account for 65% of category headcount, says circular

MANOJIT SAHA
MUMBAI

The Reserve Bank of India has decided to recruit 35% of the specialised supervisory and regulatory cadre from the market while the remaining 65% will be recruited via internal promotions.

In an internal circular, the central bank said that direct recruitment in the Specialized Supervisory and Regulatory Cadre (SSRC) will be at Grade B level.

"Out of the total vacancies in the grade, 35% of the vacancies will be filled up through market recruitment while 65% of vacancies will be filled up through internal promotions," RBI said.



The Specialized Supervisory and Regulatory Cadre will comprise officers in Grade B to Executive Director level, the circular said.

RBI said in case there was a shortfall in filling up any vacancy in the specialist groups in research, data analysis, model development,

stress testing and the like, lateral recruitment will be resorted to. Lateral recruitment will not be used to fill positions that carry out on-site supervision of regulated entities. According to norms, lateral induction would normally be at Grade C level and on contract basis. Laterally recruited officers will have a tenure of three years, extendable up to a maximum of five years.

"The shortfall of officers with specialised skills will be filled up by taking expertise on inward deputation or assigning some of the specialised back office jobs to external experts," it said.

On November 1, 2019, RBI

decided to reorganise its regulation and supervision departments. It merged the three regulatory departments (department of banking, non-banking and cooperative bank) into one and did likewise for the three supervisory departments.

As a result, there is only one supervisory department which looks after supervision of banks, NBFCs and cooperative banks and only one regulatory department for these three. The move was aimed at dealing more effectively with potential systemic risk that could come about due to possible supervisory arbitrage and information asymmetry.

SBI pegs FY20 GDP growth at 4.6%

SPECIAL CORRESPONDENT
MUMBAI

State Bank of India (SBI) on Tuesday lowered its economic growth projection for the current financial year to 4.6%, from the 5% projected in November.

The Central Statistics Office (CSO) on Tuesday pegged the country's GDP growth for 2019-20 at 5%, an 11-year low.

The SBI report, authored by Soumya Kanti Ghosh, Group Chief Economic Adviser, SBI, said, "We now believe that the RBI projection of a 5.9-6.3% GDP for FY21 could be on the higher side. We could be now staring at a sub 6% growth for 2 successive years."

EoI, share pact for Air India get GoM's nod

PRESS TRUST OF INDIA
NEW DELHI

A Group of Ministers (GoM) headed by Union Home Minister Amit Shah on Tuesday approved the Expression of Interest (EoI) as well as the share purchase agreement for Air India's privatisation, a senior government official said.

The EoI and the share purchase agreement would be issued in January for the bidders, he said.

Last year, the Air India Specific Alternative Mechanism (AISAM) approved the re-initiation of the process for the Centre's 100% stake sale in Air India along with Air India Express and the carrier's stake in joint venture AISATS.

While Air India's net loss in 2018-19 was around ₹8,556 crore, its current total debt is around ₹80,000 crore.

India must create 70 mn jobs to achieve \$5 tn economy by 2024

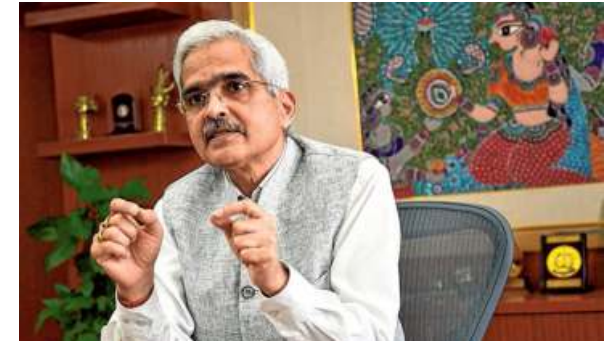
140 mn jobs needed in next decade, says Shanmugaratnam

SPECIAL CORRESPONDENT
MUMBAI

The country needs to significantly increase employment and productivity levels to achieve a \$5 trillion economy by 2024, Tharmar Shanmugaratnam, Senior Minister of Singapore, a renowned economist and a political personality, said on Tuesday.

Pointing out that job growth and productivity improvement are critical, Mr. Shanmugaratnam said, "To achieve a \$5 trillion economy by 2024-25 and to ensure unemployment does not keep going up, India will have to create something like 140 million jobs over the next decade – half of that in the first half of the decade."

Prime Minister Narendra Modi has announced the aim to achieve a \$5 trillion



High inflation adversely impacts the economy's allocative efficiency and retards growth, says Mr. Das. ■ PRASHANT NAKWE

'Reaction to Operation Twist as expected'

RBI has carried out three rounds so far

SPECIAL CORRESPONDENT
MUMBAI

Reserve Bank of India Governor Shaktikanta Das said on Tuesday that the market's reaction to the simultaneous buy-sell of government bonds was on expected lines.

The simultaneous buy-sell of government bonds, known as Operation Twist, was conducted to bring down long-term interest rate while allowing short term rates to inch up. The move was aimed at addressing liquidity, which is asymmetric – abundant at the shorter end but not on the longer end. The move will help in monetary transmission. The central bank has so far carried out three rounds of simultaneous bond buy-and-sell via open market operations.

To a query from reporters on the sidelines of an event, Mr. Das said that the programme was "on expected lines".

In the third such open market operation in as many weeks, the RBI had on Monday bought ₹10,000 crore of three long-term securities while selling a similar amount of three short-term bonds.

In his opening remarks at the 'Third Suresh Tendulkar Memorial Lecture', Mr. Das emphasised on reform of

agricultural markets to improve supply chain management which could result in bringing down the gap between the price paid by end customers and the price received by farmers.

He highlighted a survey conducted by the RBI in 2018 covering farmers, traders and retailers in 85 mandis spread across 16 States, which found that the difference between retail prices that consumers paid and mandi prices that farmers received varied across crops and centres. "The average share of farmers in retail prices of major primary food items varies between 28 and 78%. It is lower for perishables and higher for non-perishable items. Higher share of retail prices going to farmers augurs well for the rural economy, which in turn, could help sustain domestic demand," he said.

He also said that the mandate given to RBI on maintaining price stability, financial stability and economic growth was not only important from a macroeconomic perspective, but also for the objective of inclusive growth.

"Persistently high inflation adversely impacts the economy's allocative efficiency and impedes growth," he added.



India's productivity growth needs to be about 7-8% per year, says Mr. Tharman, who met PM Modi on Monday. ■ PTI

dollar economy by 2024. But dwindling economic growth has made the task much tougher than thought earlier.

Productivity growth needed to be in the order of 7-8% per year, he said, while delivering the Third Suresh Tendulkar Memorial Lecture at the Reserve Bank of India.

"India is making a major

effort to transform its society and economy. And it is going to take some time because it is starting from a heavy legacy of the past," he said.

"Job growth and productivity growth are fundamental. "It is critical particularly for India because you have the largest young population in the world... much larger than China's," he added.

'Mindset to blame for poor response to NPS'

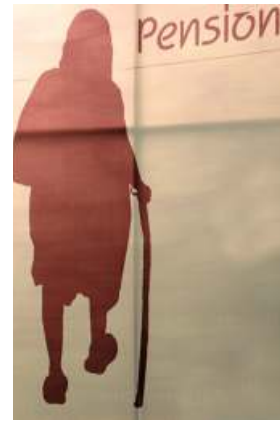
Only 10 lakh employees covered, people's view needs to change, says PFRDA

MINI TEJASWI
BENGALURU

It's not the money people must put into it, but a certain mindset of individuals and corporates that makes National Pension System (NPS) a less-preferred saving option, according to the Pension Fund Regulatory and Development Authority (PFRDA).

For instance, some 7,000 corporates in the country are currently registered with PFRDA, but only 10 lakh employees are covered under the NPS.

Supratim Bandopadhyay, whole-time member, PFRDA, said, "We have dozens of individual corporates employing multiple lakhs of employees in our country. However, only 2-4% of employees of these 7,000 regis-



tered companies are covered under NPS. This is too low a coverage and has to improve. We see people's mindset as the major impediment."

The PFRDA, which is currently in the process of conducting pension awareness campaigns across the coun-

try, has a mandate to add five lakh new NPS subscribers and 75 lakh Atal Pension Yojana (APY) subscribers by March 2020.

NPS currently has a total subscriber base of 3.25 crore, (with ₹4 lakh crore under investment as on December 31) which includes Central and State Government employees (66 lakh), employees of Central and State autonomous bodies, corporates, NRIs (6,000) and individuals.

APY now has a subscriber base of two crore – mostly people from the unorganised sector including labourers, farmers, construction workers and daily-wage workers. According to Mr. Bandopadhyay, the pension segment is yet to see quantum growth in the country

and NPS currently covers only a minuscule number of individuals and corporates, while a large population of small, medium, and micro enterprises and thousands of start-ups are yet to be part of the pension market.

The PFRDA is currently in the process of creating a strategy to approach each of these companies directly through HRs or through public campaigns.

"Most of us don't think of retirement and old age. But the reality is our income will stop one day. As per studies, on an average, Indians live 17 to 18 years after retirement. But sadly, most of us decide to save only when we are in the 45-50 age bracket. This mindset has to change and we have to learn to save before we spend," he said.