

## Daily Economic News Summary: 9 January 2018

### **1. India Clings to Cash, Even as Tech Firms Push Digital Money**

**Source: The Economic Times ([Link](#))**

India's reluctance to give up paper money poses challenges for the firms that are vying to offer electronic payments, including local players like Paytm, which has received financing from the Chinese e-commerce giant Alibaba, and American tech companies, like Facebook, Google and PayPal. "Cash is convenient," said Caesar Sengupta, who oversees Google's products for emerging markets. "It's anonymous. You can use it everywhere." Even so, tech companies see India's low rate of digital payments as an opportunity. They all cite China, where in just a few years, mobile payments became so popular that it is now difficult to get through the day with cash alone

### **2. Market Now: Tata Motors, Infosys Among Most Active Stocks in Terms of Value**

**Source: The Economic Times ([Link](#))**

Coal India (Rs 352.16 crore), Tata Motors (Rs 118.12 crore), Infosys (Rs 81.34 crore) and Ashok Leyland (Rs 78.31 crore) were trading as the most active stocks in terms of value on NSE in morning trade on 10 January 2018. Tata Steel (Rs 77.15 crore), Maruti Suzuki (Rs 62.02 crore), State Bank of India (Rs 54.54 crore), Sun Pharma (Rs 52.88 crore), YES Bank BSE 0.42 % (Rs 42.19 crore), Bharti Airtel (Rs 42.07 crore) and NMDC (Rs 38.22 crore) were also among the most active stocks in terms of value on NSE. However, markets cooled off a bit due to selling in IT, pharma and bank stocks. The NSE Nifty index was trading 7 points up at 10,631, while BSE Sensex was up 66 points at 34,418 around 09:30 am (IST).

### **3. Soon, Government Will Offer Pan-India Licence to Firms Providing Contract Workers**

**Source: The Economic Times ([Link](#))**

The labour ministry will soon launch a national licence for staffing firms supplying contract workers across industries, a move that seeks to make doing business easier for them. Since staffing firms typically operate from multiple locations, a national licence will help increase formalisation

of the workforce. The licence will be based on a set criteria and renewed every three years. It can be obtained on payment of fees and a bank guarantee as security for due performance of their obligations. At present, staffing firms are required to make a small deposit as security to the government. They are required to seek approvals for hiring contract workers at every location or premises and for every new person hired.

#### **4. NABARD and Government to Come out with Road Map on Consolidation of RRBs**

**Source: The Economic Times ([Link](#))**

Agri-lender NABARD is working with the government to bring out a roadmap on consolidation of regional rural banks (RRBs) to make them financially independent. The Chairman, Harshkumar Bhanwala said “We are working on consolidation of RRBs...some road map is being worked out on the possibility of them accessing the market on their own. We are closely working with the government.” Currently there are 56 RRBs in the country, down from over 150 in the 90s. Though Mr Bhanwala declined to give the details it is reckoned that the ideal number of RRBs should be one per state. The industry expert commented though currently, most of the RRBs are well capitalised, the idea is to push them to lend more and hence make them responsible for managing the capital needs as well.

#### **5. Govt to Divest 1.5% In NMDC Today at Rs153.5 Per Share**

**Source: Livemint ([Link](#))**

The two-day offer for sale (OFS) of government’s 1.5% stake in NMDC will open for institutional investors on 9 January and for retail investors on 10 January. The sale will begin on 11 January of 1.5% stake in NMDC at a floor price of Rs153.50 apiece, with an option to retain over-subscription of equal quantum. Sale of 1.5% would fetch Rs750 crore to the exchequer, a person familiar with the matter said. The stake sale will have a green-shoe option to retain over-subscription of a further 1.5%, the person added. Shares of NMDC closed at Rs161.85, up 2.11% on the BSE. The floor price of Rs153.50 is at a discount of 5% over the closing price of Rs161.85.

## **6. NITI Aayog may Revamp Process of Drug Selection for Price Control**

**Source: Livemint ([Link](#))**

Government think tank NITI Aayog is working to revamp the existing system of identifying medicines for price control, two persons aware of the matter said. The Prime Minister's Office (PMO) asked NITI Aayog to intervene after pharma lobby groups expressed their dissatisfaction over the proposed pharmaceuticals policy, the people cited above said on condition of anonymity. These groups also showed their concern over the way National Pharmaceutical Pricing Authority (NPPA) currently fixes price caps. "The PMO has asked NITI Aayog to prepare a road map and submit a report to the PMO based on their consultations with the pharma lobby groups and pharma experts," said one of the persons cited above on condition of anonymity

## **7. Rupee Opens Marginally Higher against US Dollar**

**Source: Livemint ([Link](#))**

The Indian rupee was trading marginally higher against US dollar in the opening trade on 9 January, tracking gains in the local equity market. The rupee opened at 63.48 a dollar. At 9.15am, the home currency was trading at 63.47 a dollar, up 0.03% from its previous day's close of 63.50. The benchmark Sensex rose 0.22%, or 75.24 points, to 34,428.03. Local equity markets rose for the fourth consecutive session and advanced nearly 1.8% or 614 points. Traders are cautious ahead of the Index of Industrial Production (IIP) data for November and Consumer Price Inflation (CPI) for December on 12 January. According to *Bloomberg* analysts' estimates, IIP will be at 4% in November from 2.2% a month ago, while CPI will be at 5.04% in December from 4.88% a month ago.

## **8. ISRO to Launch 31 Satellites on January 12**

**Source: The Economic Times ([Link](#))**

India will launch 31 satellites, including earth observation spacecraft Cartosat, on January 12 instead of its earlier tentative schedule on January 10. "The rocket launch to carry Cartosat and other satellites, including 28 from the US and five other countries, will take place on January 12 at 9.30 a.m., "Indian Space Research Organisation (ISRO) Public Relations Director Devi Prasad Karnik told IANS here. As an observational satellite, Cartosat will beam high-quality images for

cartographic, urban and rural applications, coastal land use and regulation and utility management like road network monitoring.

**9. Budget 2018: FM may Extend Short-Term Capital Gains Tax on Stocks to 3 Yrs**

**Source: The Business Standard ([Link](#))**

The Finance Ministry is considering extending the holding period for short-term capital gains (STCG) tax on listed securities from one year to three years, bringing equities on a par with some other asset classes in tax treatment. This is among a number of measures for the capital markets that may be announced in the Union Budget for 2018-19. The STCG tax on stocks and mutual funds is 15 per cent at present. Listed securities held above a year do not attract any tax.

**10. Eveready Enters Confectionery Biz; Aims For 25% Revenue from FMCG in 5 Yrs**

**Source: The Business Standard ([Link](#))**

The company's foray into the confectionery business is with a fruit chew product, under the Jollies brand name. Targeting to generate at least 25% of its consolidated revenue from the fast moving consumer goods (FMCG) category, namely, confectionery and packet tea, in the coming five years, Eveready Industries India Limited (EIL) rolled out its own brand-Jollies. The confectionery market in India is pegged at Rs 90 billion, of which the fruit chew segment accounts for 5% of the total category. It is expected that the category will expand to Rs.140 billion in the next five years and the fruit chew segment will account for Rs. 10 billion during the same period.