

MOVE MAY DRY UP VOLUME IN DERIVATIVES MARKET

Some 'misusing' currency derivatives rules, says RBI

SACHIN KUMAR Mumbai, April 5

traders rushed to exit unhedged positions ahead of the measure which were supposed to kick in from Friday.

allowed traders to take positions of up to \$10 million, which was later raised to \$100 million, without having to provide evidence on the underlying hedge.

exchanges. "There has been no change in the RBI's policy. This policy of need to have an underlying has always been a part of the RBI's policy for many years," Das said in the post-policy media briefing on Friday.

RESERVE BANK OF India deputy governor Michael Patra, while reiterating the regulator's position on currency derivatives, said there was no provision for trading in currency derivatives without the existence of underlying exposure.

The Reserve Bank in 2014



SHAKTIKANTA DAS, RBI GOVERNOR THERE HAS BEEN NO CHANGE IN THE RBI'S POLICY ON ETCDs. THIS POLICY OF NEED TO HAVE AN UNDERLYING HAS BEEN A PART OF THE RBI'S POLICY FOR YEARS

"Some market participants have been misusing this to mean a relaxation in documentary evidence is tantamount to no underlying, which is not the case, and which is a violation of the law," said Patra said in the post-policy media briefing.

CS Ghosh to step down as Bandhan MD & CEO in July

PIYUSH SHUKLA Mumbai, April 5



Chandra Shekhar Ghosh had set up Bandhan as an NGO in 2001

BANDHAN BANK FOUNDER, managing director and CEO Chandra Shekhar Ghosh on Friday said he will retire from his position at the end of his third tenure on July 9, 2024.

at the end of my current tenure as MD & CEO, i.e. on July 9, 2024," he said. Bandhan Bank's board in November 2023 approved re-appointment of Ghosh as MD and CEO for a period of three years.

the board of the bank, Ghosh said he had set up Bandhan as an NGO in 2001 to achieve the dual objectives of "women empowerment and poverty alleviation".

In 2006, Bandhan acquired an NBFC and named the entity as Bandhan Financial Services, which became the largest microfinance institution in 2010. In 2014, the Reserve Bank of India issued an in-principle approval to Bandhan Bank to become an universal commercial bank.

Bandhan Bank garnered ₹1.35 trillion in deposits and ₹1.28 trillion in advances on March 31, thanks to depositors' trust, he said.

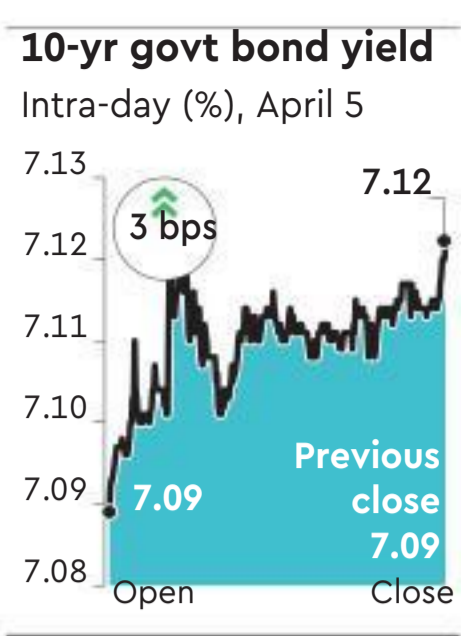
Bank, NBFC, realty stocks gain

PRESS TRUST OF INDIA New Delhi, April 5

went 1.41% higher to finish at ₹1,549.40 apiece on the BSE.

State Bank of India grew 0.67% to end at ₹764.35, IndusInd Bank climbed 0.66% to settle at ₹1,554 and ICICI Bank rose 0.51% to close at ₹1,082.35.

₹1,160.10 and DLF went up 1.98% to finish at ₹905.95 on the BSE. Oberoi Realty gained 0.96% to settle at ₹1,550.60 and Brigade Enterprises rose 0.86% to close at ₹963.90 on the exchange.



Benchmark yield's weekly jump biggest in 4 months

BHAKTI TAMBE Mumbai, April 5

GOVERNMENT BOND YIELDS rose on Friday and for the week, with the benchmark yield posting its biggest weekly jump in four months, tracking a spike in US Treasury yields amid concerns over the Federal Reserve's interest rate cuts.

The benchmark 10-year yield ended at 7.1232%, following its previous close of 7.0934%. It rose seven basis points this week after easing four bps last week. Yields rose during the session after the Reserve Bank of India (RBI) maintained its main lending rate and stance as widely expected. — REUTERS

Cong's Nyay Patra: Income support, health cover for all

SUCH A MOVE, aimed to wipe out poverty in the country, would bring down the poverty level to 0.5% in the country but would cost 4-5% of the gross domestic product, the Survey had noted.



Rahul Gandhi and Congress president Mallikarjun Kharge display the party's election manifesto in Delhi

Attacking the Narendra Modi government, the Congress said the unemployment rate is 8% and among graduates, the unemployment rate is over 40%.

pay and allowances cost of ₹3 trillion/annum to the exchequer of the current civilian staff strength of 3.56 million, the additional recruits could significantly inflate revenue expenditures of the Centre.

below the poverty line, and under NFSA to EWS & SECC categories for free. Families not falling under the eligibility criteria can also get insured by paying a nominal premium of ₹850 per annum.

Byju's stake sale in Aakash gets blocked

A "CASE OF breach of the loan agreement" has been made out, Ritin Rai, the emergency arbitrator, wrote in his order, which is being reported for the first time by Reuters.

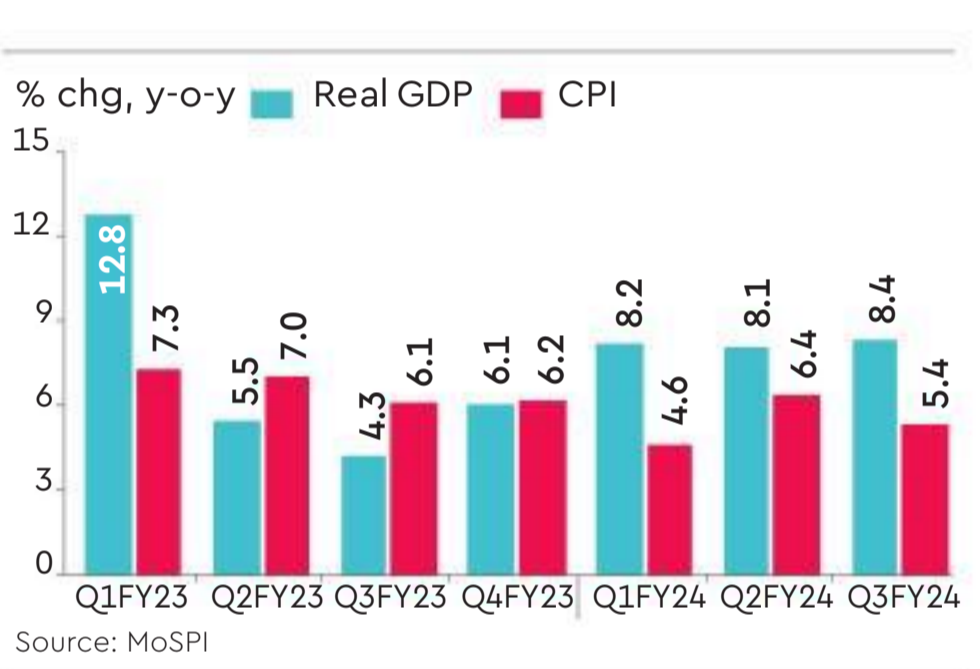
Byju's did not respond to a request for comment. A source close to Byju's said the order is not detrimental to Byju and the company is in talks with MEMG to resolve the matter.

During the arbitration proceedings, Byju's said it could not obtain approvals from certain investors in time which were necessary to transfer the shares to MEMG, the order said.

In February, a US unit of Byju's filed for Chapter 11 bankruptcy proceedings in a court in Delaware, listing liabilities in the range of \$1 billion to \$10 billion.

For RBI, the elephantine task is still far from over

ECONOMISTS ARE STARTING to push back their expectations for rate cuts to later in the year. Pranjul Bhandari, chief India and Indonesia economist, HSBC, said "the continued emphasis on using the current policy space to sustainably lower inflation to 4% makes us believe that it may decide to wait some time longer, even after the US Fed moves."



Source: MoSPI

Abheek Barua, chief economist, HDFC Bank, said, given the recent global resilience in economic activity, there has been a tendency to keep monetary policy tight to take on the last-mile challenge on inflation by global central banks. The RBI seems to be moving in lock step with that.

giving a sense that the space for slight easing does exist. And the RBI may use the opportunity to ease rates to align real rates with neutral rates.

ing forex reserves and therefore expected rupee appreciation in the coming quarters (due to bond inflows among other things) could also face resistance. In addition, the RBI governor cautioned banks, non-banking financial companies (NBFCs) and other financial entities on 'quality of governance' and 'adherence to regulatory guidelines'.

Bhandari added that to balance the hawkish tilt, the RBI unveiled its model inflation forecast for the next year - 4.1% in FY26 (45 for Q4FY26)

The RBI governor also spoke about the record forex reserves at \$645.6 billion as of March 29 and said that there has been an improved resilience of the external sector. According to Barua, with the RBI reiterating its preference for a stable rupee, any significant depreciation due to recent global volatility seems unlikely.

Additional announcements included a comprehensive review of liquidity coverage ratio or LCR. RBI plans to issue a draft circular shortly on LCR for discussion with banks.

Expect normalcy by May: Vistara CEO

THE AIRLINE IS in the process of merging with Air India. Over the weekend of March 31 to April 1 period, Vistara had a number of disruptions. Earlier this week, aviation regulator DGCA asked the airline to submit a daily report on flight cancellations and delays.



"Over the last few months, we have added a number of aircraft, we have grown significantly and therefore, we have been pushing our resources quite to the limit. "From a rostering perspective, we have stretched the rosters for pilots quite significantly... it means that when there were disruptions like...bird strikes, engineering issues, there was not enough buffer or resilience which we can call on," Kannan said.

reason was the stretching of rosters. "To be fair to my pilots, we had to call pilots on short notice, pilots on standby, off, and many of them actually rallied, and we could operate some of these flights.

"Otherwise, the situation would have been even worse... we did receive a lot of support from the pilots," Kannan said. "On behalf of all the 6,500 staff, we are very sorry for what happened. We all stand ready to bring the situation back to normal and it is happening quite fast," he added.

Centre may shelve ₹2-trillion freight corridor plan

"THE PROJECTS HAVE been identified under the PM Gati Shakti for enabling multimodal connectivity. Together with DFCs, these three economic corridor programmes will accelerate our GDP growth and reduce logistic costs," Sitharaman had said recently.

The announcement in the last Budget was, however, seen as a deviation by the Narendra Modi government's previous plan in this regard. In her Budget 2021-22 speech, Sitharaman had announced generic East Coast, East-West and North-South corridors. If implemented, these three proposed corridors would have a combined length of 4,315 km

the total cargo movement. "The commodity-specific corridors make more sense because there will be existing customers for them. The DFCIL has been hard selling the eastern and western dedicated freight corridors.. there are issues with the network planning of these projects," said the official.

The capacity utilisation levels of the 1,337-km EDFC and 1,506-km WDFC remain fairly low. For instance, the fully-completed EDFC has a capacity to run 120 trains each way per day but due to low demand, just about 75-80 trains are being operated at the moment. EDFC connects power plants in the northern states of UP, Delhi, Haryana, Punjab and parts of Rajasthan with Eastern coal fields. Traffic on EDFC also comprises finished steel, food grains, cement, fertilisers and limestone. WDFC, which still has a 109-km stretch under construction, is running just 40-45 trains per day (each way) against the capacity of 120 trains. This stretch is used primarily for export-import container traffic and transporting milk from Gujarat to northern India.

Zee to lay off 15% of workforce, eyes leaner organisation



HE ALSO PLANS to take direct oversight of key business areas to encourage cross-functional collaboration.

While Zee will disclose the specifics of the new operational framework after obtaining the necessary approvals from the board, Goenka did put a broad blueprint in place on Friday. He said that the new structure would include the broadcast business, including Zee's portfolio of channels across genres, apart from digital, the movie studio and the music vertical whose focus will be to fortify its stronghold in the marketplace.

Shares of Zee ended down 0.49% at ₹152.30 on the BSE on Friday. Last month, the Zee board had institutionalised a monthly mentorship programme to help the management team achieve key performance metrics, including the targeted 18-20% Ebitda margin that Goenka had proposed earlier. The special committee will review the management's business performance and provide the required directional guidance, Zee said.

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