

NEWS ALERT

From Indira Gandhi's Finance Minister of an era when Budgets spelt out Customs and excise duties of individual products and, in the process, built and demolished industrial empires, to chief troubleshooter of the UPA government in its first term, Pranab Mukherjee has played out multiple avatars of the consummate politician. As he presents the Budget today, his challenge is to find that elusive fine balance as growth, inclusion, fiscal discipline, reform and realpolitik tug at him in different directions...



Promoters seek to regain pledged stock

Promoters of at least 77 firms have redeemed part of the shares they pledged to raise funds during the liquidity crunch

THE BACKGROUND

Rebounding stock prices since April have increased the notional wealth of company promoters, helping them redeem their collateral. Promoters of 667 firms had pledged their shareholdings in fiscal 2009

THE IMPLICATION

Analysts interpret this as a sign of the economy looking better. Credit growth is improving and companies are seeing higher demand from consumers

- France and Russia on Sunday urged a debate about the world's reserve currencies saying the current system, which is denominated by the US dollar, was out of date
- An economic advisor to Prime Minister Manmohan Singh, Suresh Tendulkar, said he is urging the government to diversify its \$264.6 billion foreign exchange reserves and hold fewer dollars
- The Economic Survey 2008-09 released last week has suggested



that all financial market regulations should be brought under the Securities & Exchange Board of India to "encourage inte-

- grated development."
- A comparative analysis suggests that two in five companies in the BSE 100 witnessed lower profits or slipped into losses on consolidation in 2008-09

This suggests that subsidiaries were not much help in adding to the returns for the parent company.

Job creation and skill development

Continued economic growth demand a constant supply of skilled manpower. The Indian government is finally beginning to take steps to improve the quality of manpower and address the unemployment issue. The proposal to create a new ministry of skills development is a significant move in this direction. A national skill development policy has also been put in place to address the urgent issue of creating 92 million new jobs, as identified by the 11th Plan. A report of the working group on skill development and training points out that 8% growth can create employment opportunities for about 630 million people and special employment generation programs can add another 20 million job opportunities.

While 12.8 million people are being added to the Indian work force every year, current skills and vocational training capacities are woefully inadequate to equip these new job seekers with the skill sets that they need.

