Online exam from 2021 for select govt recruitment

A COMMON ELIGIBILITY Test (CET) will be conducted online across the country from next year to screen and shortlist candidates for recruitment to select central government jobs, Union Minister Jitendra Singh said on Monday. "The National Recruitment Agency (NRA) for conducting Common Eligibility Test has been constituted with the approval of the Union Cabinet," said Singh, the Minister of State for Personnel. **— PTI**

RBI PAPER

'Maintaining 4% inflation appropriate'

PRESS TRUST OF INDIA
Mumbai, December 28

"A target set too below the trend imparts a deflationary bias to monetary policy because it will go into overkill relative to what the economy can intrinsically bear to achieve the target," RBI said in a release based on the paper

MAINTAINING 4% INFLATION is appropriate for India as targeting a lower rate could impart deflationary bias to the monetary policy, said a Reserve Bank of India paper. Under the current dispensation, the RBI has been mandated by the government to maintain retail inflation at 4% with a margin of 2% on either side.

The paper, authored by RBI Deputy Governor Michael Debabrata Patra and another official Harendra Kumar Behera, has found a steady decline in trend inflation to 4.1-4.3% since 2014.

"A target set too below the trend imparts a deflationary bias to monetary policy because it will go into overkill relative to what the economy can intrinsically bear in order to achieve the target.

"Analogously, a target that is fixed above-trend renders monetary policy too expansionary and prone to inflationary shocks and unanchored expectations. Hence, maintaining the inflation target at 4% is appropriate for India" RBI said in a release based on the paper.

The paper notes that estimating trend inflation with regular updates is important for the formulation of monetary policy, irrespective of the country setting.

In India, this exercise acquires priority in the context of the flexible inflation targeting formally instituted in June 2016, which commits the central bank — the RBI — to a consumer price inflation target of 4% with a symmetrical tolerance band of +/- 2% around it, the authors said.

The authors are from the RBI and the views expressed in the paper are those of the authors and not necessarily those of the institution to which they belong, the central bank said.

Moreover, section 45ZA of the Reserve Bank of India Act, 1934 mandates that the Central Government shall, in consultation with the Bank, determine the inflation target once in every five years.

The inflation target has to be reviewed by end-March 2021. In this context, trend inflation provides the metric to gauge the appropriate level of the target going forward.

In a bid to keep inflation under specified level, the government in 2016 had decided to set up Monetary Policy Committee headed by the RBI Governor entrusted with the task of fixing the benchmark policy rate (repo rate).

The six-member panel, which had its first meeting in October 2016, was given the mandate to maintain annual inflation at 4% until March 31, 2021, with an upper tolerance of 6% and lower tolerance of 2%.

Power sector in need of a slew of reforms

PRESS TRUST OF INDIA
New Delhi, December 28

LIMPING BACK TO normal after bearing the brunt of the pandemic this year, the power sector needs a slew of reforms, especially implementation of consumer rules to achieve the government's ambitious target of 24X7 electricity supply for all in 2021, and steps to improve the financial health of discoms.

The most important task before the government will be to deal with the sickness of power distribution utilities (discoms), which are cash-strapped and unable to pay the electricity generation firms (gencos) for ensuring 24X7 power supply for all.

There has been a cascading effect of the pandemic on power demand and revenue collection of discoms, which has aggravated the stress on gencos. There has been an issue with cash flow of gencos due to delay in payments by discoms.

Director General of Association of Power Producers (APP) Ashok Khurana suggested the government needs to consider expanding the coverage of the 'liquidity window' to cover dues up to December 2020. "...w e hope that initiatives such as greater emphasis on privatisation of distribution, formulation of new tariff policy which contains several sector transformational measures and increasing government focus towards electricity market-based products will help set the tone of revival and put the sector back on a sustainable growth path," he said.

On 24X7 power supply in the country, Power Minister R K Singh said the Electricity (Rights of Consumers) Rules would ensure delivery of services.

From the Front Page

China pushes Ant Group overhaul

PAN'S COMMENTS STOPPED short of calling for a break-up of Ant, yet pointed to a significant operational restructuring. Ant should set up a separate holding company to ensure capital adequacy and regulatory compliance, Pan said.

Ant should also be fully licensed to operate its personal credit business, and be more transparent about its third-party payment transactions and not engage in unfair competition, Pan added.

Ant said in a statement it would establish a "rectification" working group and fully implement regulatory requirements.

Ma was advised by the Chinese government to stay in the country, Bloomberg News has reported, citing a person familiar with the matter. Ma could not be reached for comment.

Pan said Ant representatives met on Saturday with officials from the PBOC and other Chinese banking, securities and foreign exchange regulators.

During the meeting, regulators pointed out Ant's issues including its poor corporate governance, defiance of regulatory demands, illegal regulatory arbitrage, the use of its market advantage to squeeze out competitors, and harming consumers' legal interests, according to Pan.

Ant traces its beginnings to Alipay, which was launched in 2004 as a payment service, and is 33% owned by Alibaba. Its Alipay app dominates digital payments in China, with more than 730 million monthly users. The Hangzhou-based company also built an empire connecting China's borrowers and lenders, securing short-term loans within minutes. It was poised to be valued at more than $300 billion in its stock market debut.

Last month, China issued draft rules aimed at preventing monopolistic behaviour by internet firms, and the Politburo this month vowed to strengthen anti-monopoly efforts in 2021 and rein in "disorderly capital expansion."

China also warned internet giants this month to brace for increased scrutiny, as it slapped fines and announced probes into mergers involving Alibaba and Tencent Holdings.

Tax tribunal restores exemptions given to Tata Trusts

"IF RECEIPT OF some inputs at the last minute from a third party cannot result in an extension of time for completion of assessment under section 143(3) directly, it cannot be done by way of invoking Section 263 either," the order said.

Further, the tribunal questioned the veracity of evidence received from Mistry on the grounds that "his action of supplying documents to the income tax department, without any authorisation of the company even though which were apparently obtained by him in the fiduciary capacity, almost immediately after being removed as chairman of the Tata Sons parallels, cannot be said to be influenced by call of a pure conscious and high ground of morality."

It added that this kind of conduct was unheard of in the civilised corporate world. "The inputs from those engaged in a rivalry with an assessee should be taken with a reasonable degree of circumspection and should not be placed on such a high pedestal so as to relegate all other material facts and accepted past assessment history of the case into insignificance," the tribunal said.

The order went into detailed allegations of the Trusts' control of Tata Sons and some Trustees deriving benefits from the parent company but saw no merit in the same.

The tribunal appreciated that under the model of ownership of Tata Sons -- a holding company having investments in group companies -- majority shareholding is to be collectively in the hands of various charitable institutions. This is in compliance with the articles of association of Tata Sons.