



ECONOMY

India needs to boost economic growth as inflation outlook remains low: RBI

India needs to take steps to boost economic growth as the inflation outlook remains low, the Reserve Bank of India's monetary policy committee (MPC) said in minutes released. Most of the six-member MPC were in favour of spurring growth in Asia's third largest economy amid a soft inflation outlook on a sustained fall in food prices, the minutes of the February monetary policy meeting showed. The MPC delivered a surprise repo rate cut in a 4-2 split vote this month while members unanimously agreed to move the policy stance to 'neutral' from 'calibrated tightening'. The MPC also noted the global uncertainties over trade frictions, Brexit and oil prices could add to growth headwinds back home even as most central banks have moved firmly away from last year's tightening moves.

CCEA approves launch of KUSUM scheme with Rs 34,000-crore central aid

The Cabinet Committee on Economic Affairs, chaired by Prime Minister Narendra Modi, has approved the launch of KUSUM with the objective of providing financial and water security to farmers, an official statement said. The government approved the launch of the Kisan Urja Suraksha evam Utthaan Mahabhiyan (KUSUM) with a central aid of Rs 34,422 crore to provide financial and water security to farmers through harnessing solar energy capacities of 25.75 gigawatt (GW) by 2022. The proposed scheme consists of three components -- 10,000 megawatt (MW) of decentralised ground mounted grid connected renewable power plants (Component-A); installation of 17.50 lakh standalone solar powered agriculture pumps (Component-B); and solarisation of 10 lakh grid-connected solar powered agriculture pumps (Component-C), according to the statement.

Govt clears reform to enhance domestic oil and gas exploration

The Union government decided to offer the private sector bigger oil and gas areas that belong to its companies Oil and Natural Gas Corporation and Oil India on relaxed conditions. Some 56 smaller contract areas of ONGC and OIL have been bid out to companies under the two rounds of discovered small fields over the last few years. To incentivise enhanced gas production, marketing and pricing freedom has been granted for those new gas discoveries where field development plan (FDP) is yet to be approved. This would mean that the notified gas price and ceiling that is set by the ministry of petroleum every six months based on a pre-set formula would not be applicable to production from these fields. The exemption was earlier applicable to only "new discoveries".

PTC Financial Services partners UKCI, DFID for India's first green fund

PTC Financial Services (PFS) is setting up India's first infrastructure development debt fund, solely for renewable energy projects, in partnership with UK Climate Investments LLP (UKCI) and Department for International Development (DFID), UK. The company has raised Rs 400 crore from State Bank of India under the credit enhancement scheme, enabling it to raise bonds worth Rs 2,000 crore. The Renewable Infrastructure Development Fund (RIDF) will be set up with an initial corpus of Rs 500 crore and managed by a separate company. It had last gone for a domestic bond issue in 2012, when it came up with an infrastructure bond under section 80CCF of the Income Tax Act that allowed exemption for investment in these bonds.

RBI takes close look at 'standstill agreements', plans to tighten norms

The Reserve Bank of India (RBI) has taken a serious view of the recent cases of 'standstill agreements' by companies with lenders to delay selling pledged shares. RBI sources said the central bank was closely monitoring the situation and, if necessary, would tighten norms to dissuade lenders from entering into such agreements with companies. Recently, the promoter entities of debt-laden Anil Ambani-led Reliance Group announced that it had reached an "in-principle standstill agreement" with at least 90 per cent of its lenders, asking them not to sell pledged shares in the group till September. Days before such a move, Subhash Chandra-led Essel Group had signed a similar agreement with lenders, comprising banks, mutual funds and NBFCs, for a standstill till September 30.

COMPANIES

Flipkart's Sachin Bansal may join Ola board after Rs 650-crore investment

Ride-hailing firm Ola confirmed an investment of Rs 650 crore (\$92 million) from Flipkart co-founder Sachin Bansal. This investment, which has been made by Bansal in his personal capacity as an investor, is part of Ola's larger Series J funding round and values the Bengaluru firm at around \$6.5 billion. Sources confirmed that with this investment, Bansal will be accorded a board seat in Ola, giving his business insights and expertise in taking the company to the next level. The investment will boost the Bhavish Aggarwal-co-founded firm in its battle against Uber, which is rapidly gaining share in India. A spokesperson of Ola, however, declined to comment on the matter.

Oracle seeks to strengthen client base in country with India-first products

Software major Oracle is looking to deepen its relationship with Indian customers by launching a number of India-first products, improving its client base, and is also working with local start-ups as the company gears up to launch its data center services this year. India is the firm's sixth-largest market globally in the data management space. In the past four years, the company has doubled its customer base in India to around 15,000 (around the same time it started delving into the data center opportunity). Oracle Digital Hub, launched in India in 2017, was the first such centre in the APAC region, to cater to the country's high potential SMB sector.

GMR wins bid for Andhra's greenfield Bhogapuram International Airport Project

Airports and infrastructure major GMR has emerged as the highest bidder for green-field Bhogapuram International Airport project for which Andhra Pradesh government had invited bids from prospective developers in July last year. The successful bidder has offered a fee of Rs 303.00 per passenger as a share of revenue to the government while Doit Smart Infrastructure India Private Limited and GVK, the other two companies in the fray, have offered a fee of Rs 261 and Rs 207 per passenger to the government.

PSA Group plans to launch Citroën brand in India by end of 2021

PSA Group plans to launch its Citroën brand in India by the end of 2021, as part of an ambition to conquer new markets, the French car maker said. This comes two years after it announced a joint venture with CK Birla Group. PSA announced the India project as part of a 'Push to Pass plan', launched at the beginning of 2017 with the signing of two joint ventures with CK Birla Group. The firm has a powertrain plant, a vehicle plant and a partner in India and is now building a network to support the launch of this new brand. This will be PSA's second innings in India. In the 1990s, it sold the Peugeot 309 sedan through a collaboration with a Premier Automobile.

Urban Ladder cuts jobs, aims to be operationally profitable in June quarter

Online furniture store Urban Ladder is said to have laid off close to 90 employees over the past few days, as it aims to trim losses to climb up the profitability rung. The Bengaluru-based company, which had earlier announced to go for an initial public offering (IPO) in 2020-21 (FY21), aims to become operationally profitable in the April-June quarter and maintain that on a full-year basis in 2019-20 (FY20). "We had a plan to reduce losses by 70 per cent in 2018-19 (FY19), but it looks like we are slightly behind target. We are taking some hard decisions in the long-term interests of the company," said Ashish Goel, co-founder and chief executive officer. The Sequoia Capital-backed firm employs around 800 people across different centres, though most of them are located at its headquarters in Bengaluru.

FINANCE

High credit-deposit ratio restricts banks' ability to cut interest rates

In a sign that borrowers might have to wait longer to enjoy the full benefit of 25 basis points cut by the Reserve Bank of India (RBI), country's largest lender State Bank of India (SBI) cut interest rates on home loans up to Rs 30 lakh by only five basis points. The credit-to-deposit ratio helps assess a bank's liquidity by comparing total advances to total deposits as on a particular day — a high number suggests banks may need to improve the denominator or deposits.

RBI emphasises on quick transmission of monetary policy action by banks

The Reserve Bank of India (RBI) emphasised on the quick transmission of monetary policy action by banks while taking feedback on hurdles to pass on rate cuts, the current liquidity conditions and year-end pressures. RBI Governor Shaktikanta Das held the first meeting with heads of select commercial banks after the monetary policy review on February 6, 2019. The governor wanted to know the handicaps in transmitting the monetary policy decisions, bankers aware of deliberations at the meeting said. The meeting focused on efficient transmission into a bank's lending rates. The RBI has flagged its concern that the central bank does a lot of groundwork on the monetary policy stance, but that is not reflected in the banks' decisions.

RBI governor Shaktikanta Das rules out asset quality review of NBFCs

Reserve Bank of India (RBI) Governor Shaktikanta Das shrugged off liquidity concerns pertaining to non-banking financial companies (NBFCs) and ruled out an asset quality review in the immediate future, saying such a move might not be well-received by the market. The RBI was prepared to step in to ensure that the liquidity needs of NBFCs were duly met, said sources in the know. He said the quantum of non-performing assets (NPAs) had dipped significantly in the past one year and that the worst seemed to be over for the banking sector. The governor justified the recent policy rate cut, citing low inflation, among other things, and said the central bank would not shy away from more cuts provided data supported such action.

PERSONS-IN-NEWS

Air India CMD Pradeep Singh Kharola appointed civil aviation secretary

Air India chief Pradeep Singh Kharola has been appointed civil aviation secretary as part of a minor bureaucratic reshuffle effected, according to an official order. Kharola, a 1985 batch IAS officer of Karnataka cadre, was in November 2017 named chairman and managing director of Air India Ltd. The vacancy had come up due to the superannuation of Rajiv Nayan Choubey on January 31. Choubey has taken over as member in the Union Public Service Commission (UPSC).

Amazon steps up diversity hiring, adds ex-PepsiCo CEO Indra Nooyi to board

The technology giant appointed former PepsiCo chief executive officer (CEO) Indra Nooyi to its board. On February 25, 2019, the Board of Directors of Amazon.com, Inc. (the "Company") elected Indra K Nooyi as a director of the company, and also appointed her to the audit committee of the board.

Analjit Singh replaces Rahul Khosla as Chairman of Max Life and Max India

Max Group said its Founder and Chairman Emeritus Analjit Singh will take over as Chairman of Max India and Max Life. He would be taking over the chairmanship of the two companies from Group President Rahul Khosla, who would be moving to a non-executive role as group advisor from April 1, 2019, Max India said in a filing to BSE. Mohit Talwar, who has been with the Group since November 2007, will be elevated to the position of Group Vice Chairman with effect from April 1, 2019, Max India said.

Sumit Sawhney quits as Renault India MD; Venkatram to take over from March

French auto major Renault announced a leadership change in its Indian operations with Venkatram Mamillapalle set to take charge from current Managing Director and Head, Sumit Sawhney. The change will be effective from March 1.

Noel Wallace to replace Ian Cook as Colgate-Palmolive CEO

Colgate-Palmolive Co said it has named Noel Wallace as its chief executive officer, replacing Ian Cook who has led the company since 2007. Wallace will take over on April 2 and Cook will serve as an executive chairman for a period of up to 12 months to oversee the transition, the company said

INTERNATIONAL

New Zealand plans digital tax on online giants like Google and Facebook

New Zealand's government announced plans on Monday for a new tax targeting online giants like Google and Facebook that earn plenty of money in the country but pay little tax. She said the proposed digital services tax would tax multinational online companies at about 2 or 3 per cent on the revenue they generate in New Zealand, a rate that is in line with other countries considering similar taxes. New Zealand's government estimates that online multinationals do about 2.7 billion New Zealand dollars (USD 1.9 billion) worth of business in the country each year, and that the new tax could generate up to 80 million New Zealand dollars (USD 55 million) annually.

Barclays sets aside \$196 million to deal with UK's economic uncertainty

British bank Barclays says it set aside 150 million pounds (\$196 million) to deal with economic uncertainty as Britain prepares to leave the European Union. The bank said Thursday that bad loans in its credit card and corporate lending businesses may increase amid "anticipated economic uncertainty in the U.K." Britain is scheduled to leave the EU on March 29, ending more than 40 years of free trade with the bloc.

MERGERS & ACQUISITIONS

Tech Mahindra to acquire Dutch IT firm Dynacommerce for Rs 128 crore

IT services major Tech Mahindra on Friday said it will acquire Netherland based IT firm Dynacommerce Holding BV for around Euro 15.9 million (around Rs 128 crore). The acquired entity provides software platforms and services to telecommunication clients. While Tech Mahindra will pay Euro 4.39 million for the acquisition of shares in addition to some contingent payment spread over next five years, it will also settle the debt of the acquired firm worth \$11.48 million as part of this deal.

JBM Group acquires majority stake in Germany's Linde-Wiemann

JBM Group, with business interests in auto systems and assemblies, said it had partially acquired Germany's Linde-Wiemann GmbH KG, a manufacturer of complex structural components and assemblies supplying to global automotive maker. It is learnt that the JBM Group will become a majority shareholder in Linde-Wiemann with 60 per cent stake. The acquisition will bring new products, global customers, new German technologies for JBM Group that will not only help in expanding the global footprints for the home-grown conglomerate but will also aid in adding strategic value to its Indian operations, thereby increasing the Group's long-term competitiveness.

Blackstone to acquire Wadhawan Global's stake in Aadhar Housing Finance

Private equity giant Blackstone will acquire Aadhar Housing Finance (AHFL) from the crisis-ridden Wadhawan Group for an undisclosed sum, a deal that will help the latter reduce its outstanding corporate debt. Wadhawan Global Capital (WGC), the parent company to both AHFL and Dewan Housing Finance (DHFL), and Blackstone signed a definitive agreement on Saturday. As part of the deal, WGC will be selling its entire 70 per cent stake in the affordable housing finance company to Blackstone. DHFL, which holds a 9.15 per cent stake in AHFL, will also exit the company.

REGULATORY

Cabinet clears ponzi Ordinance, fresh changes in the Companies Act

The Union Cabinet cleared four ordinances, including those banning unregulated deposit or ponzi schemes and allowing amendments to the Companies Act, after the Bills concerned could not be taken up the Rajya Sabha due to disturbance despite being cleared in the Lok Sabha. The ordinance on ponzi schemes will prohibit all deposit-taking activities that are not regulated by various regulators. It will identify three different types of offences — running of unregulated deposit schemes, fraudulent default in regulated deposit schemes, and wrongful inducement in relation to unregulated deposit schemes. The related Bill prescribes monetary penalty which could be as high as Rs 50 crore and a jail term of up to 10 years for duping depositors

SEBI releases cyber security framework for brokers, depositories

The Securities and Exchange Board of India (SEBI) came out with a cyber-security framework for stock brokers and depositories. The guidelines would come into force on April 1, 2019, SEBI said in a circular. "As part of the operational risk management framework to manage risk to systems, networks and databases from cyber-attacks and threats, stock brokers/depository participants should formulate a comprehensive cyber security and cyber resilience policy document encompassing the framework," the circular said. As per the guidelines, stock brokers or depository participants should designate a senior official or management personnel whose function would be to assess and identify cyber security risks, respond to incidents, establish appropriate standards and controls.

SEBI issues guidelines to set up alternative investment funds in IFSC

Markets regulator issued detailed guidelines for setting up alternative investment funds in international financial services centres, pertaining to registration, compliance requirements and restrictions. For registration as Alternative Investment Funds (AIFs), Sebi said any fund established or incorporated under IFSC in the form of a trust or a company or a limited liability partnership or a body corporate, can seek registration under the regulations. An AIF operating in IFSC is permitted to make investment, the Securities and Exchange Board of India (SEBI) said in a circular.

Important Compliances as per latest amendments to CA'13

Ministry of Corporate Affairs (MCA) has notified and amended various Rules in the month of January 2019 and February 2019, whereby the companies are required to file certain additional forms/ returns either one time or on a regular interval with fees or without fees to capture certain data and details. The delay in filing will be with certain implication of delayed / additional filing fees and penalties. Following is a brief write up on this requirement and all the companies and its KMP / Management shall assure timely compliances on the following:

List of Compliances				
FORM NO.	PURPOSE	APPLICABILITY	DUE DATE	CERTIFICATION
INC 22A ACTIVE	Active Status Company	To all Companies incorporated before 31.12.2017	25.04.2019	Two Director AND PCS/PCA/Cost Accountant
DIR3 KYC	Din Approval Status Directors	To all the Directors having valid DIN on or before 31.03.2019	30.04.2019	Director AND PCS/PCA/ Cost Accountant
MSME Form I	Returns stating the amount of payment due to MSME	All the Companies, who get goods and Services from MSME + Whose payment to MSME exceeds 45 Days from the date of acceptance or the date of deemed acceptance of the goods or services.	ONE TIME Within 30 days from deployment of Form on MCA. HALF YEARLY For the period April to September last date is 31st October. For the period October to March Last date is 30th April.	Director/CEO/CFO/ Company Secretary
BEN 2	Return of significant beneficial owners in shares	All Companies	Within 30 days from deployment of Form on MCA	Director/CEO/CFO/ Company Secretary.
DPT 3	One Time return of deposit	All Companies except Government Companies	20.04.2019	Director/CEO/ CFO/ Company Secretary.
INC 20A	Declaration prior to the commencement of business	All Companies incorporated after 02.11.2018	Within 180 days from the date of Incorporation	Director AND PCS/PCA/ Cost Accountant
NFRA 1	Notice to the Authority by a body corporate regarding its auditor	As Prescribed.	Within 30 days from deployment of Form on MCA	Director/CEO/ CFO/ Company Secretary.
AOC 4	Financials	All Companies	Within 30 days of AGM	Director AND PCS/PCA/ Cost Accountant
MGT 7	Annual Return	All Companies	Within 60 days of AGM	Director AND PCS

Relief to e-wallets: KYC compliance norms extended by six months

In a relief to e-wallet KYC companies, the Reserve Bank of India extended by six months the deadline for compliance with Know Your Customer (KYC) norms, for prepaid payment instrument (PPI) issuers. The earlier deadline was February 28. PPIs are instruments that facilitate purchase of goods and services, including financial services and remittance facilities, against the value stored on such instruments. E-wallet companies were caught in a bind over looming deadline as companies were apprehensive that they will not be able to meet the central bank's deadline to complete KYC of all customers by February-end. ■