NEWS&VIEWS

NATIONAL

National Economy

Natural gas will no longer be allocated: Govt to private power producers

Leaving gas-based power plants stranded, the government has conveyed to private power producersthat natural gaswould no longer be allocated but they will have to bid for buying the fuel. This is a policy reversal from the United Progressive Alliance (UPA) regime when gas-based power generation along with fertiliser, liquefied petroleum gas production, and city gas distribution were identified as priority sectors for allocation of gas. Around 7.5 gigawatt (Gw) of gas-based generation capacity is stranded, of which plants with a capacity of 3.5 Gw are facing gas shortage. The private power producershad asked the government to reserve the expected gas production from Oil and Natural GasCorporation's (ONGC's) block in the Krishna Godavari (KG) basin for power generation. ONGC had in January come out with tender inviting bids for sale of natural gasfrom S1-VA fields in the KG basin. ■

GST revenue collection dips marginally in January to Rs 863.18 bn

The collection of Goods and Services Tax (GST) slipped marginally to Rs 863.18 billion in January, from Rs 867.03 billion in December. "The total revenue received under GST for the month of January 2018 (received in January/February up to February 25, 2018) has been Rs 863.18 billion" the finance ministry said in a statement. Total collections under the GST had registered an increase in December 2017 after declining in the two previous months of November and October following the decision of the GST Council to cut rates on more than 200 items. The ministry said that 10.3 million taxpayers have been registered under GST till February 25, of which 1.76 million are composition dealers who are required to file returns every quarter. ■

Check NPAs above Rs 500 mn for possible fraud, alert CBI: Govt tells banks

Jolted by the Punjab National Bankfraud, the financeministry on Tuesday directed managing directors of public sector banksto examine non-performing asset (NPA) accounts of more than Rs 500 million for possible fraud and report any cases of wilful default to the Central Bureau of Investigation (CBI). The ministry also set a 15-day deadline for PSBs to put in place an effective system to address rising operational and technological risks. These directions are part of the reforms that the government had packaged with the recapitalization plan for banks. In a couple of tweets, Financial Services Secretary Rajiv Kumar asked banksto involve the Enforcement Directorate and the Directorate of Revenue Intelligence (DRI) for any violations of the Prevention of Money Laundering Act, the Foreign Exchange and Management Act, and export-import norms. He wanted banksto promptly identify fraud and take action within prescribed deadlines. While Kumar did not elaborate on deadlines, an earlier circular by the Reserve Bank of India mandated banksto furnish a flash report for fraud involving at least Rs 50 million within a week of such incidents coming to the notice of the bank's head office. ■

India to produce 277.5 mt of food grains in FY18 against target of 274.5 mt

India will produce about 277.5 million tonnes (mt) of food grains in 2017-18 as against the target of 274.5 mt set for the agricultural year, according to the second advance estimates of crop productionreleased by the department of agriculture, cooperation and farmers welfare A record 24 mt of pulses are expected to be produced in 2017-18, and with imports of 5.1 mt already completed in the April–December period, this year will witness a consecutive year of over-supply on pulses to the tune of 30 mt, as against annual consumption of 23 mt in India. Rice production of 96.5 mt trumped the first advance estimate of 94.5 mt. Similarly, two nutri-cereals, maize and bajra, exceeded their first advance estimate to take overall production to record levels. Sugarcane production had fallen 12 per cent in 2016-17 to 3 billion tonnes, but has recovered 15 per cent to 3.5 billion tonnes this year. ■

3.5 Gw of solar tenders in limbo, thanks to tax and regulatory niggles

Lack of clarity over tax and regulations in the solar sector has pushed close to 3.5 Gigawatt of tenders to cancellation or delay for more than a year now. Of this, 980 Megawatt (Mw) of projects were under the domestic content category that has been shrouded in controversy. Under the National Solar Mission, the Centre has kept a separate capacity to be awarded for projects built on domestic content. For the domestic content requirement (DCR) clause, the United States has dragged India to the World Trade Organization (WTO) for preferential treatment to the indigenous industry. This comes at a time when the domestic solar manufacturing has complained that "dumping of panels in India by China has hurt them and reduced their capacity utilisation by more than 80 per cent. "Some of the cancelled tenders were for large projects announced during 2015-16 and were facing delays and uncertainty on tariff. Last year, solar tariffwitnessed a record fall of 60 per cent to Rs 2.44/unit. NTPC's 750-Mw tender in Andhra Pradesh, Karnataka and 250 Mw under the DCR category in Karnataka got cancelled after the delay of more than one year. ■

India regains status of fastest-growing economy, GDP grows 7.2% in Oct-Dec

Economic growth recovered to a five-quarter high of 7.2 per cent during October-December, backed by strong manufacturing and investment activity as the disruption caused by the goods and services tax (GST) bottomed out. The robust third-quarter performance led to a marginal upward revision in the second advance estimate for 2017-18 to 6.6 per cent from 6.5 per cent in the first estimate, though it was still lower than the 6.75 per cent projected by the Economic Survey. Gross domestic product (GDP) growth has been revised up to 6.5 per cent for the second quarter against 6.3 per cent estimated earlier. Growth stood at 6.8 per cent for the third quarter of 2016-17, which was the period of demonetisation. Indiaovertook China's 6.8 per cent growth in October-December after a three-quarter gap, regaining its status as the world's fastest-growing major economy ■

Govt announces Rs 50 bn fund to jumpstart growth in 12 key services sectors

The government on Wednesday announced a dedicated fund to the tune of Rs 50 billion to support sustained growthin 12 key services sectorsapart from initiating reforms to make them more competitive and export-oriented. The decision to identify 12 specific sub-sectors such as Information Technologyand IT-enabled Services, Tourismand Hospitality Services, MedicalValue Travel, Transport and Logistics Services, among others, as 'Champion Services' was taken by the Cabinet. Contributing heavily to the national GDP, exports and job creation, reforms in the services sector had been ordered by the Prime Minister's office. Sectoral action plans will be identified by the Commerce Ministry along with other private stakeholders, a senior official said. Embedded services are a substantial part of 'Goods' as well. Thus, a competitive service sector will add to the competitiveness of the manufacturing sector", Commerce and Industry Minister Suresh Prabhu tweeted. ■

Five PSBs on brink of being put under RBI's prompt corrective action plan

Five public sector banks(PSBs), including Canara and Union Bankof India, are on the brink of being put under the Reserve Bank of India's (RBI's) prompt corrective action(PCA) plan. According to rating agency Icra, their net non-performing assets (NPAs) rose above 6 per cent in December 2017.If the banking regulator places them under PCA, the action may drive these banksto recall additional tier-1 (AT-1) bonds, which is included in Tier-1 capital, of Rs 157 billion from investors. Besides Canara and Union Bank, three other PSBs that may come under PCA are Andhra Bank, Punjab National Bank, and Punjab & Sind Bank. While taking the decision on putting a bank under PCA, the RBI assesses its standing on three counts, namely capital adequacy ratio(CAR), net NPAs, and return on assets (RoA). Banksbecome PCA candidates when they feel the minimum requirements of CAR or net NPAs rise above 6 per cent or the RoA is negative for two years. Breach of any one condition is seen as sufficient to trigger PCA. ■

What are 'shell firms'? Parl panel wants clear definition in Companies Act

A Parliamentary panel has asked the government to define "shell company" in the Companies Actand ensure distinction between those guilty of fraud and those irregular with filings. The recommendation assumes significance at a time when the government is cracking down on companies that have not been carrying out business activities for long as well as those entities being allegedly used for illicit fund flows. As part of larger efforts to curb the black moneymenace, the corporate affairs ministry has already struck off the names of more than 226,000 companies from the official records besides disqualifying a large number of directors associated with such entities. The Parliamentary Standing Committee on Finance, headed by senior Congress leader and former Corporate Affairs Minister M VeerappaMoily, has said that out of the 226,000 deregistered companiessome may have been merely dormant ones without any fraudulent intent. "Therefore, it is necessary that while cracking down on shell companies, the ministry needs to make distinction between those guilty of fraud and those irregular with filings," the panel said in a report tabled in Parliament on March 9.At present, the term 'shell company' is not defined under the Companies Act, which is implemented by the corporate affairs ministry. ■

Women make up just 22% of S&P 500 boards, says report

Gender diversity at the board-level has improved steadily over the years across the world but it is still a long way for equalisation in terms of female representation at the top level, says a report .According to a Bank of America Merrill Lynch (BofAML) report, a gender diverse board better represents the company and identifies with its customers, brings a diverse range of opinions and helps the company adapt to changes. “The diversity of S&P 500boards has been steadily improving over the last decade, as the average board currently has 22 per cent women, up from 14 per cent in 2008,” BofAMLstrategist Savita Subramanian said in a research note. Though diversity at the board level has increased, it still has a long way to go. “While having quadrupled since 2008, just 11 per cent of companieshave at least one-third of their board seats held by women and just 1 per cent (five companies) have half or more of their board seats held by women,” the report said, adding that one per cent of boards remain all-male, down from 15 per cent in 2008.Within the S&P 500, telecom, staplesand utilities have the most gender diverse boards, where notably, within staples, nearly one-fourth of companieshave at least one-third of their board seats filled by women. ■

Real estate developers in a bind over charging GST for affordable homes

The government has announced concessional GSTrates for the sale of affordable homes, but developers are in a dilemma on charging lower rates, since there is no clear definition of such projects. In its last meeting in January, the GSTCouncil reduced the effective GSTrates for affordable homes that are eligible for credit-linked savings scheme (CLSS), projects that received infrastructure status and houses built under LIG, MIG-1and MIG-2categories under the government's Housing for All scheme, from 12 per cent to 8 per cent.“The circular does not define affordable housing.Today we can charge 8 per cent but later the department should not say it is not affordable housing,” said Anita Arjundas, managing director at Mahindra Lifespace Developers, the real estate arm of Mahindra group. The government has said GSTwill be reduced for affordable housingprojects that have been given infrastructure status, but “nobody gives such status,” she said. In the 2017 budget, the government accorded infrastructure status for affordable projects to help such projects raise loans at lower rates. VenkateshGopalkrishnan, CEO of ShapoorjiPallonji Real Estateagreed with Arjundas. “They (the government) have to define affordable housing. We do not know whether the projects we are going to launch will be affordable or not. We also do not know what infrastructure status actually means,” Gopalkrishnan said. ■

Rent on electricity meter comes under GST, move may draw criticism

Indirect tax departmenthas clarified that rent on electricity meter draws goods and service tax (GST), a development which is likely to draw criticism from the industry. The Central Board of Excise and Customs (CBEC)said even though electricity is exempted from GST, rent on electricity meter is not. Pratik Jain, partner PwC, said there was a contrary circular under the service tax laws. “Industry is likely to pitch in for an exemption on these ancillary charges else consumers will have to bear the additional burden,” he said. He said industry view is that it should not be taxable and should be treated as an incidental to transmission and distribution of electricity. Besides, GSTwill also be imposed on application fee for releasing connection of electricity; testing fee for meters, transformers, capacitors; labour charges from customers for shifting meters or shifting service lines. ■

COMPANIES

DLF buys 11.76 acre of land for Rs 15 billion in Gurugram, plans expansion

The country's largest real estate development firm, DLFLimited, has bought 11.76 acre of land at UdyogVihar in Gurugram for Rs 14.96 billion. It emerged as the highest bidder in the e-auction organized by the Haryana State Industrial and Infrastructure Development Corporation (HSIIDC). While the reserve price was around Rs 6.86 billion, which translated into around Rs 596 million per acre, the e-auction catapulted the price to Rs 1.2 billion an acre, a record high for Gurugram. Earlier in 2017, HUDA sold a 10-acre plot to IKEA for Rs 800 crore. The current deal has been sealed at a 40 per cent hike in the commercial land price in Gurugram ■

After unearthing mega fraud, PNB appoints group Chief Risk Officer

It may be seen as a classic case of shutting the doorafter the horse has bolted, but the multi-crore fraud hit PunjabNational Bankappointed A. K. Pradhanas Group Chief Risk Officer, The PNB reported an additional Rs 13 billion unauthorized transactions, taking the estimated quantum to Rs 126 billion in the scam related to diamond trader NiravModiand owner of Gitanjali Gems, MehulChoksi. According to PNB, Modi, Choksi and their associates worked with rogue PNB employees and used fake guarantees to obtain loans from abroad which were then illegally rolled over. ■

Reliance, Samsung to bring 4G connectivity to 99% of population by Diwali

MukeshAmbani-led Reliance Jiois aiming to cover 99 per cent of the country's population by this Diwali. As part of f its expansion plans , Jiohas announced the roll-out of the Internet of Things (IoT) services in association with Samsung, which will help consumers and enterprises. "We are deploying around 8,000 to 10,000 towers every month," said Reliance JioInfocomm PresidentJyotindra Thacker.He is hopeful that by September or October (Diwali), the company would reach a coverage of 99 per cent. At present, the company has a subscriber base of 160 million paid customers. Through its IoTservices, Jioaims to work with the sectors like transportation, weather forecasting and agriculture. ■

WhatsApp refuses to share user-specific data with Sebi

Instant messaging platform WhatsApp has declined to share user-specific data with the Securities and Exchange Board of India (Sebi), citing its privacy policy. The market regulator had written to WhatsApp, seeking information on the origin of messages that allegedly contained unpublished price-sensitive information of listed companies, sources said. The information is crucial for Sebi's investigation into the leakage of financial data at blue-chip companies. Under current regulations, WhatsAppis not obliged to provide the information to Sebi. The regulator could pursue the matter by moving court against WhatsApp. However, such a move could be sensitive since it might amount to an infringement of personal space. Globally, there have been several cases where social media platforms have declined to share user-specific information with government agencies. These have often resulted in bitter legal battles. ■

Voltas to benefit from early onset of summer; AC business to drive growth

The early onset of summer, the launch of inverter window air-conditioners (ACs) and potential benefits accruing from Budget proposals have put Voltas in the spotlight. According to analysts, the early onset of summer might help AC manufacturers in hiking prices, which will support margins and drive their top line. Analysts at IIFL said given the aggressive pricing policy adopted by LG, the industry had not increased prices despite the rise in commodity costs and change in energy ratings. “A severe summer can boost demand and lead to increase in prices - about 4-5 per cent - from March onwards,” said IIFL. This scenario will help the revenues and profitability of all players, including Voltas, which surprised the Street with 32 per cent growth in AC sales in the December quarter (Q3) while maintaining margins. Motilal Oswal Securities analysts said despite intense competition in the room AC segment, Voltas was able to expand market share without sacrificing margins. ■

Hero rides on green mobility, plans futuristic cycle stores for youngsters

Hero Cycles is pedaling along to tap into its nationwide distribution footprint and push sales of e-cycles at a time there is a growing thrust from industry and government for clean mobility and green commute. And as the Ludhiana-based manufacturer looks to expand its store count to facilitate this, its mantra is delivery of “experience”. The company's distribution footprint consists of 5,000-plus traditional multi-branded cycle stores and a growing network of franchisee-led futuristic cycle stores called Sprint. It has 120 Sprint stores in 85 cities. The cycle manufacturer dubs these e-connected stores as a young and refreshed version of its classic retail outlets where its products share space with those of competitors. Targeting youngsters and cycling enthusiasts, the Sprint network is an ideal distribution channel for Hero Cyclesto push its e-cycles. However, to enjoy a wider reach, the company now continues to make its e-cycles available through traditional multi-brand stores as well. ■

Cipla teams up with Roche Pharma to sell cancer therapy drugs in India

Ciplaand Roche, who fought a bitter legal battle over patent infringement of the latter's lung cancerdrug Tarceva, have turned partners for the first time.The Swiss pharmaceutical giant Roche said it had tied up with Ciplato distribute its rheumatoid arthritisdrug Actemra and anti- cancerdrug Avastin. Ciplagained 1 per cent after the agreement with Roche was announced .At present, Roche sells both the drugs in Indiaon its own and “through this partnership, the companieswill leverage their expertise to increase access to these innovative medicines for patients in India”. The tie-up would allow Roche to grow its market share, as local local drug makers have launched copies of its drugs. It would enable Ciplato grow its domestic revenue and follows similar tie-ups it had inked with multinational companieslike Novartis and Johnson & Johnson ■

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Aircel files for bankruptcy, says faced trouble after entry of a new player

Aircel has become the latest victim in the highly-competitive telecom market in the country with the operator along with its units AircelCellular and Dishnet Wireless filing for bankruptcyin the National CompaniesLaw Tribunal (NCLT), Mumbai after its lenders and shareholders failed to reach a consensus with respect to the restructuring of its debt.

Aircel, majority owned by Malaysia-based Maxis Communications, said it has been facing troubled times in a highly financially stressed industry, owing to intense competition following the disruptive entry of a new player, legal and regulatory challenges, high level of unsustainable debt and increased losses.With the entry of Reliance Jioin September 2016, most of the telecom operators have seen their profitability plunge to new lows. ▪

Aravind Eye Care is working with Bangladesh govt for ophthalmology centers

Aravind Eye Care System, the country's largest network of primary eye care hospitals, is working with the Bangladesh government to set up 200 ophthalmology centers there. Aravind is known for performing cataract surgeries at affordable prices. The organisation is looking to aid Bangladesh in a similar manner, sharing technology, training and transferring its know-how. "We're trying to let others gain from best practices and the models that are working on the ground, so that they don't have to reinvent everything," says Thulasiraj Ravilla, its director of operations. While this is not Aravind's first venture outside the country, the Bangladesh foray is the largest so far. The organisation has worked with individuals, non-government organisations and hospital chains overseas. The project in Bangladeshis its first instance of working at a national level. Ravilla said Bangladesh, like India, has issues with inclusion and access to primary eye care."The allocation has been made for 40 centers and it has been decided where these will come up. ▪

Axis Bank to be able to process payments over WhatsApp soon

India's third largest private sector bank Axis Bankon Tuesday said it would soon be able to process payments over the popular chatting application 'WhatsApp'. The bank also termed the Unified Payment Interface (UPI) as a "huge opportunity". "We are the market leaders in terms of innovation, and we do believe that UPIis a huge opportunity. We are working in terms of creating a differentiated environment for our customers," Axis BankExecutive Director -Retail Banking, Rajiv Anand said ▪

In its bid to expand customer base in India, H&M launches online store

Swedish fashion retailer Hennes&Mauritz(H&M), on Thursday, launched its online store in India to accelerate its growth further. The online store will help the company to reach out to most pincodes in the country and expand its customer base. Its competitors, such as Zara, also have online platforms. Marks and Spencer has its own online store. It sells products on Amazon India as well. The company said that HM.com would be the same as its global counterpart and would not be sold on any other marketplace. Delhivery and Blue Dart are handling the logistics. The company has set up a warehouse, for its online platform, in Mumbai. The company said it was bringing its full product range to customers in India. HM.com will offer a wider range of collections with exclusive 'online-only' pieces available throughout the year. "India will be the 45th global market where H&Mhas started online stores," said JanneEinola, H&MIndia country manager. At present, H&Mhas 29 stores in 12 cities. Einola said H&Mhas introduced the scan-and-buy feature ,that allows customers to buy products online, if the appropriate size is unavailable in physical stores.

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With HDFC merger failing, Max Life wants to be a digital organisation

With the government's renewed push on insuring citizens, Max LifeInsurance is not only marching towards market dominance but is also in the process of reinventing its game. The process perhaps started with a bid to merge with HDFC Lifein August 2016, which would have created an insurance giant but even though the merger fell through due to the Insurance Regulatory and Development Authority of India's reservations about the same. However, Max Lifemaintains that even though the merger would have been good for both entities, the company has become stronger than ever and continues to grow organically even as inorganic growth opportunities remain far and few. "The companieswere really at the top of their game. But that apart, we have been a very well-run company. There are public sector players where platforms have been established and we think that we can acquire some of them," said Rajesh Sud, managing director, Max LifeInsurance.. Max Lifepolicies grew 18 per cent in 2018 after a growth of about 1.9 per cent in the preceding year. The company has also maintained its position among the highest claims settlement providers, with 97.7 per cent claims settled in 2017. Max Lifeis now focussing on growing its digital base as the organisation looks to become an all-rounded digital entity. ▪

Kumar Birla to be chairman of merged Voda-Idea entity; Balesh Sharma CEO

Idea Cellularand UK-based VodafoneGroup Plc announced a total restructuring of the leadership team for the merged business. Vodafoneinsider and current Chief Operating Officer (India) Balesh Sharmahas been named Chief Executive Officer of the merged entity. Sharma, who's been with the group for more than 15 years across geographies and roles, has been at the forefront of the merger with Idea, sources said. The merged entity will have the largest market share, crossing top player BhartiAirtel's at close to 30 per cent. Sharma joined the group in 2003 (then Hutch) and has more than 25 years of experience across companies, including Vodafone, Ricoh, and Xerox. His previous roles included Business Head of Gujarat Circle, CEO of VodafoneMalta, and CEO of VodafoneCzech Republic. Idea CFO AkshayaMoondra will take charge at the combined business in the same designation. Idea Deputy Managing Director Ambrish Jain will take charge as COO of the new company.

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FINANCE

Manufacturing companies' sales improve in Q3, profit subdued: RBI

The country's manufacturing sectorwitnessed an improvement in sales growth in the third quarter this fiscal on annual basis, though net profithas remained subdued due to lack of support from other income, says a RBIdata on performance of private corporate sector. The services (non-IT) sector showed signs of revival as reflected by positive sales growth, itadded. This data is based on abridged financial results of 2,705 listed non-government non-financial (NGNF) companiesfor third quarter of 2017-18. As per the data, sales of manufacturing companiesincreased by 14 per cent in the October-December quarter of 2017-18 compared to similar period of the previous fiscal. The net profitof the manufacturing companiesdeclined by 2.4 per cent in the third quarter, RBIsaid, adding that lack of support from other/non-operating income resulted in lower net profits for the sector. Among major manufacturing industries, demand conditions improved for chemical and chemical products; cement and cement products; machinery and machine tools; and motor vehicles and other transport equipment. ■

MCX launches futures trading in brass for the first time globally

Multi Commodity Exchange of India (MCX) launched futures tradingin brassfor the first time globally, which will facilitate brassstakeholders to hedge their price risk. The country's largest commodity exchange will commence futures tradingin brasson March 26 and will offer three contracts ending in April, May and June for trading, with a lot size of one tonne. Brass futureswill not only provide its stakeholders with a more organised and robust price discovery platform, but will also help them to use a national level benchmark price as a ready reference to enable them to mitigate their price risk, the exchange said in a release.Significantly, MCX Brass futuresis the first non-ferrous contract with compulsory delivery option. The price is quoted ex-warehouse Jamnagar(delivery center) inclusive of taxes and duties, excluding GST. ■

Unilever picks Rotterdam HQ over London in blow to UK before Brexit

Britain's third biggest company Unileverwill scrap its Londoncorporate headquarters and make Rotterdamits sole legal home in a blow to Prime MinisterTheresa May's government almost one year to the day before Brexit. The maker of Dove soap and Ben & Jerry's ice cream launched a review of its dual-headed structure in 2017 after fighting off a $143 billion takeover from KraftHeinz, triggering a battle between Britain and the Netherlands. Unileversaid the choice to end 88 years of operating with two parent companieswas not linked to Brexitor protectionism, but would simplify its structure, improve its corporate governance and help enable takeover deals.Forged by the 1930 merger of the Dutch margarine producer Margarine Unieand the British soap makerLever Brothers, Unileversaid its 7,300 staff in the United Kingdomwould be unaffected and it will continue to be listed in London, Amsterdamand New York. ■

Trade war: Trump seeks tariff on $60 bn Chinese goods in tech, telecom

The administration of President Donald Trump is seeking to impose tariffs on $60 billion of Chinese imports and will target the technology and telecommunications sectors, a source who had discussed the issue with the White Housesaid on Tuesday. Politico reported earlier that Trump had rejected proposals for tariffs on $30 billion of Chinese imports. The source said that the tariffs would not be limited to technology and telecommunications equipment. Chinaruns a $375 billion trade surplus with the United States and when President Xi Xinping's top economic adviser visited Washington recently, the administration pressed him to come up with a way of reducing that number. Trump came to office on a protectionist agenda and his first action as president was to pull the United States out of the 14-nation Pacific trade pact, known as the Trans-Pacific Partnership(TPP).He has started talks to renegotiate the North American Free Trade Agreement(NAFTA) and most recently imposed tariffs on steel and aluminium imports. ■

INTERNATIONAL

Rome to ban diesel cars from 2024

Rome, one of Europe's most traffic-clogged cities and home to thousands of ancient outdoor monuments threatened by pollution, plans to ban diesel cars from the centre by 2024, its mayor said. Virginia Raggi announced the decision on her Facebook page saying: "If we want to intervene seriously, we have to have the courage to adopt strong measures". Her comments followed a court ruling in Germany that cities there can ban the most heavily polluting diesel cars from their streets. About two-thirds of the 1.8 million new cars sold in Italy last year were diesel, according to industry figures. Rome has no major industries, so nearly all of the air pollution in the Italian capital is caused by motor vehicles. The city regularly tries to ban older, more polluting vehicles from roads on days when pollution reaches critical levels. It has also tried to reduce pollution by allowing only cars whose number plates end in either odd or even numbers to circulate on alternate days. ■

Data privacy row: Mozilla suspends advertising on Facebook's platform

Internet company MozillaCorp said it was suspending advertising on FacebookInc's social media platform on concerns of data privacy. The decision follows allegations that a political consultancy gained inappropriate access to data on 50 million Facebookusers to build profiles on American voters that were later used to help elect US President Donald Trumpin 2016."We found that its (Facebook) current default settings leave access open to a lot of data — particularly with respect to settings for third party apps," Mozilla said in a blog post. Facebook Chief Executive Mark Zuckerberg apologized for the company's handling of a row over user privacy, while promising tougher steps to restrict developers' access to such information. Mozilla said it would consider returning to Facebookif the company strengthens its default privacy settings for third party apps. ■

In step with US Federal Reserve: China raises key market interest rates

China gingerly raised a key short-term interest rate following the U. S. Federal ReserveBank's move overnight, in a symbolic reminder that Beijing is keeping an eye on global market trends even as it cracks down on financial risks at home. The People's Bank of China (PBOC) said it had increased the rate on 7-day reverse repurchase agreements by 5 basis points (bps) to 2.55 per cent. Reverse repos are one of its most commonly used tools to control liquidity in the financial system. The Fed raised US interest rates by 25 bps, or a quarter of a percentage point, on Wednesday and forecast at least two more hikes for 2018.The PBOC's move had been widely expected and was its first major policy decision under new Governor Yi Gang, who was appointed by parliament as part of a sweeping reshuffle of China's cabinet under ever-stronger President Xi Jinping. ■

MERGERS AND ACQUISITIONS

Consolidation of domestic market to gain steam as WPP PR agencies merge

WPP, the world's largest marketing communications company, announced that it was merging group agencies Burson-Marstellar and Cohn & Wolfe, both operating in public relations (PR), to deliver integrated solutions to clients. The merger, which affects India as well, is expected to hasten consolidation in the domestic PR agency business, which has seen an emergence of big five marketing communications companies WPP, Omni com, Public is, Inter public, and Dentsu largely through acquisition. Only a year and a half ago, Japanese major Dentsu had acquired independent PR agency Perfect Relations in India in a move that mirrored consolidation in the larger advertising and media market here. "Most agency groups will increasingly consolidate or bring together synergistic offers. It is led partly by clients, which find it impossible to deal with multiple agency partners. So, coming together makes sense and that will be the trend as the business moves ahead," Ashish Bhasin, chairman and chief executive officer, South Asia, DentsuAegis Network, said.

■

Dalmia Bharat set to buy Binani Cement; UltraTech likely to challenge deal

After a series of controversies, the consortium led by Dalmia Bharat Cement has received final approval from the Committee of Creditors (CoC) of Binani Cementto acquire the firm for Rs 67 billion, which includes a capital infusion of Rs 4 billion. This was despite Aditya Birla Group firm UltraTech Cement putting in a higher bid for Binani Cement. UltraTech is likely to challenge Dalmia Bharat Cement's offer in the National Company Law Tribunal (NCLT). The CoC voting, which went for over four hours on Wednesday, approved the resolution plan proposed by Dalmia Bharat Cement. Binani Cement has debts of around Rs 40 billion and it is one of the rare cases where banks are not taking a haircut. "Usually after the CoC voting, it takes two to three days to place the proposal before the NCLTfor final approval," said the source quoted above. ■

PERSONS-IN-NEWS

Centre extends Additional Solicitor General Mehta's tenure till June 2020

The Centre has extended the tenure of Additional Solicitor General(ASG) Tushar Mehta, who was recently named the special public prosecutor for 2G spectrum scam cases, till June 2020, according to an official order. The Appointments Committee of the Cabinet has approved extensions in the tenure of four ASGs of India — Mehta, Maninder Singh, P S Narsimha, and Pinky Anand — till June 30, 2020, it said, without divulging more. ■

The Richie Rich club: Mukesh Ambani breaks into top-20 billionaires in 2017

Despite a slowing economy and demonetization, India added 56 new billionaires in 2017 with a total of 170 Indians making it to the Richie Rich clubwith a wealth of over $1 billion or more. As per the Hurun Global Rich List, China topped the list with 819 billionaires almost 5 times more than India's, and United States with 571 billionaires. With a wealth of $45 billion, Mukesh Ambani topped the India rich list and also made it to the top 20 rich list in the world. The India list also saw almost one-third of the rich list replaced by new billionaires as many businesses failed due to cancellations of mines, infighting among promoters and sale of businesses by the local entrepreneurs. ■

Ola hires former BMW Group executive Anand Shah to lead new EV arm

Taxi aggregator Ola has hired former BMW Group executive Anand Shah as its head of Strategic Initiatives. He will be leading the electric vehicle (EV) programme and potential experiments in assisted and autonomous driving at the company. As senior vice-president, Shah will be a key member of Ola's leadership team. At BMW, he set up a skunk works department, developing an autonomous vehicle strategy, evaluating mobility services, and assessing new opportunities. His core competence was looking at opportunities beyond BMW's core business. An Ola spokes person confirmed the appointment; Shah, too, updated his LinkedIn profile with "leading strategic new ventures for Ola", but did not divulge any details. Ola is trying to zoom ahead of rival Uberin EVs, having already rolled out a pilot in Nagpur in partnership with Mahindra Electric. ■

REGULATORY NEWS

CBDT notifies new Centralized Communication Scheme

The Finance Act 2017 introduced the scheme for centralized issuance of notice to persons required to furnish information or documents for the purpose of verification, which may be relevant to any inquiry or proceeding under the Income-tax Act. In this regard, the CBDT has notified a new Centralized Communication Scheme (CCS) for issuing e-notices. Under this scheme, notice shall be issued to a person vide email or by placing a copy in the registered account on the web portal of CCS followed by an intimation through SMS. Further, the person shall not be required to appear before the designated authority at the Centralised Communication Centre in connection with any proceedings.

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LS passes Finance Bill 2018; unlisted stocks to get indexation benefits

The Lok Sabha passed the Finance Bill 2018, allowing the benefit of inflation adjustments to stocks that were unlisted till January 31 while levying long-term capital gains(LTCG) tax. The move might provide tax benefits to shareholders of the National Stock Exchange(NSE), others who have invested in employee stock ownership plans (ESOPs), and in certain merger and acquisition cases. The Bill retained the LTCG tax without removing the securities transaction tax(STT) and the indexation benefits provided to all shares. The amendments to the Bill also provided relief to start-upsand immunity to the holders of public provident funds(PPF) from any attachment of their funds by authorities. For the first time in years, the Bill was passed without any debate in the Lok Sabha and drew flak from the Opposition. Since it is a Money Bill, the Rajya Sabha's approval is not required. The entire exercise, including the President's assent, has to be completed by the end of this month so that the Budget provisions come into effect from April 1.

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