



## ECONOMY

### Fitch retains India's credit rating at 'BBB-' with a 'stable outlook'

Fitch Ratings retained India's long-term foreign currency Issuer Default Rating (IDR) at 'BBB-' with a 'stable outlook'. "India's ratings balance a strong medium-term growth outlook and relative external resilience stemming from strong foreign reserve buffers, against high public debt, a weak financial sector and some lagging structural factors," Fitch said. The rating agency said India's economy is expected to grow at 6.8 per cent in the financial year ending March 2020 (FY20) and 7.1 per cent in FY21. The accommodative monetary policy, an easing of bank regulations, and government spending will support economic growth.



### ADB to extend \$750-million loan to push railways' electrification drive

The Indian Railways will raise a \$750-million loan from the Asian Development Bank (ADB) through Indian Railway Finance Corporation (IRFC) to finance part of its electrification drive. The national transporter has lined up an electrification drive covering 28,000 km in the next three financial years — 7,000 km in 2019-20 and 10,500 km each in 2020-21 and 2021-22, respectively. This will entail an expenditure of \$6-7 billion. The ADB loan will be used for electrifying around 3,378 km, involving at least 16 sub-projects in 13 states. IRFC is the wholly owned financial arm of the Indian Railways.

### Service providers can opt for GST composition scheme by April 30: CBIC

The tax department has given service providers with turnover of up to Rs 50 lakh time till April 30 to opt for the composition scheme and pay 6 per cent GST. The option to pay Goods and Services Tax (GST) at reduced rate of 6 per cent would be effective from the beginning of the financial year or from the date of obtaining new registration during the financial year. Service providers opting for the composition scheme can charge a lower tax rate of 6 per cent from customers, as against the higher rates of 12 and 18 per cent for most services under GST. In a circular, the Central Board of Indirect Taxes and Customs (CBIC) said suppliers who want to opt for composition scheme would have to file Form GST CMP-02 by selecting 'Any other supplier eligible for composition levy' latest by April 30, 2019.

## COMPANIES

### Indiabulls General Insurance gets IRDAI's nod to foray into non-life biz

Indiabulls General Insurance, a subsidiary of Indiabulls Integrated Services, Wednesday stated that it has received preliminary approval from regulator IRDAI to foray into non-life business. Earlier, Indiabulls General Insurance Limited has also received regulatory R1 approval from IRDAI for its proposed general insurance business. The company is in the process of putting in place the necessary systems and move ahead with the next step of filing its application for registration (R2) with IRDAI to undertake general insurance business in India.

### Hyderabad startup Innovapptive receives \$16 mn funding from Tiger Global

Innovapptive, a connected workforce platform for asset intensive industries announced a Series A investment of \$16.3 million led by New York investment firm Tiger Global management, LLC. The new funding, which brings the company's valuation to over \$65 million, will be utilised for the company's global expansion and for further investment in its connected workforce platform. The company's connected workforce platform connects the industry worker, back office and company leadership to help customers minimise plant outages by reducing maintenance backlogs, improving inventory accuracy, work force capacity and data accuracy.



### Paytm Money receives SEBI approval to start stock broking services

The Securities and Exchange Board of India (SEBI) has given approval to Paytm Money — the investment and wealth management platform of the mobile payments company — to start offering broking services. Paytm Money has also received membership of NSE and BSE. It had applied for the licence in October last year.



## Ashok Leyland eyes CIS countries, Africa for setting up assembly plants

Commercial vehicle major Ashok Leyland is looking to set up more assembly plants overseas, including the CIS region and African countries, as part of plans to scale up its global operations. The company is banking on its new range of medium and heavy commercial vehicles (M&HCV) and light commercial vehicles (LCVs) to help it enter new regions beyond its traditional stronghold such as the Middle East, SAARC countries and pockets of Africa. The Chennai-based Hinduja flagship firm is in the process of developing a new modular platform on which it plans to roll out its future medium and heavy products from next year.



## PERSONS-IN-NEWS

### Deutsche Bank appoints Kaushik Shaparia as CEO to succeed Ravneet Gill



Deutsche Bank appointed Kaushik Shaparia as the chief executive officer for India to succeed Ravneet Gill. Shaparia served as Asia Pacific Head of Corporate Banking Coverage within Institutional and Treasury Coverage, as well as Global Head of Subsidiary Coverage and has a 30-year experience at the bank. He took over from Khurshed Dordi, as Chief Operating Officer for India, who was serving as Deutsche Bank's interim Chief Country Officer. Shaparia's appointment will be effective from May 2019.

## Micromax co-founder Rahul Sharma enters electric two-wheeler segment

Homegrown mobile handset maker Micromax co-founder Rahul Sharma announced his foray into smart mobility with the unveiling of an electric motorcycle which is expected to hit the roads by June this year. Sharma, who is transitioning from mobiles to mobility, has set up Revolt Intellicorp Pvt Ltd, a firm wholly owned by him with a view "to make personal mobility practical, affordable and sustainable" earmarking around Rs 500 crore of investment.

## FINANCE

### RBI tightens NPA disclosure norms, asks banks to reveal bad loans

The Reserve Bank of India (RBI) changed the disclosure norms for banks on material divergences on provisioning, stating that banks will now have to disclose their provisions if the divergence found is more than 10 per cent of the bank's profit before provisioning and contingencies. Earlier, the norms were that banks required to disclose additional provisioning requirements if divergences were found to be exceeding 15 per cent of the published net profits after tax.

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### P2P firms seek RBI relaxation on lending limit

After the Reserve Bank of India (RBI) came out with guidelines for peer-to-peer (P2P) lending companies to convert into non-banking finance companies (NBFCs), micro and small enterprises (SME) lending has turned out to be the focus area for these companies. However, the current regulation does not allow a single lender to lend more than Rs 10 lakh across P2P platforms at a time. This is hampering growth prospects, say P2P players. The association of P2P lenders has sought relaxation in the norm, and requested the RBI to raise the limit to Rs one crore, according to sources in the industry. At present, borrowing from the P2P platform by a single entity is also limited to Rs 10 lakh. Most micro and small enterprises have loan requirement between Rs 5-25 lakh.

### VC firm Sequoia Capital ropes in Google India MD Rajan Anandan

Sequoia Capital has roped in Rajan Anandan as a Managing Director. He will join the leadership team at the firm, which already includes six managing directors. Anandan will focus on developing Surge into the world's top scale-up program for start-ups by acting as an investment advisor and mentor to the programme's founders. As head of Google India & Southeast Asia, he has played a key role in expanding the internet ecosystem in



the region, increasing adoption among consumers and businesses and accelerating innovation while building a multi-billion dollar business that continues to grow very fast.

### Vinod Dasari replaces Siddharth Lal as CEO of Royal Enfield

Vinod K Dasari has joined Royal Enfield, the noted motorcycle maker, as chief executive officer (CEO). Enfield is part of Eicher Motors and Dasari also joins the latter's board of directors as an executive director. Dasari takes over from Siddhartha Lal as Enfield's CEO. Lal will continue as managing director (MD) of Eicher Motors. Dasari comes from Ashok Leyland, the commercial vehicle major, where he was in a leadership role since 2005, the past eight years as MD.

## Ajay Dixit elevated as Cairn CEO as Sudhir Mathur calls it a day

Cairn Oil & Gas, a division of Vedanta Ltd, has announced the appointment of Ajay Kumar Dixit as its Chief Executive Officer. Dixit had joined Vedanta in 2015 from Siemens where he was CEO-Energy for South Asia. He had served as the acting CEO of Vedanta's Aluminium and Power business before being elevated to this new role.



## INTERNATIONAL

### South Korea launches 5G networks early to secure world first

South Korea launched the world's first nationwide 5G mobile networks two days early, its top mobile carriers, giving a handful of users access in a late-night scramble to provide the super-fast wireless technology. Three top telecom providers – SK Telecom, KT and LG Uplus – began their 5G services at 11 pm local time Wednesday, despite previously announcing the launch date would be April 5. Hyper-wired South Korea has long had a reputation for technical prowess, and Seoul had made the 5G rollout a priority as it seeks to stimulate stuttering economic growth.

### Apple and Qualcomm settle royalty dispute with new patent agreement

Apple Inc and Qualcomm Inc settled their royalty dispute, reaching an agreement on global patent license and chipset supply. The settlement includes a payment from Apple to Qualcomm. Apple had alleged that Qualcomm's patent practices were an illegal move to maintain a monopoly on the market for premium modem chips that connect smart phones to wireless data networks.

### US Treasury official David Malpass named World Bank President

David Malpass, a top US Treasury official in Trump administration, was unanimously selected as the new president of the World Bank. The World Bank's 25-member executive board unanimously approved 63-year-old Malpass, who is currently Under Secretary of Treasury for International Affairs, as the development lender's 13th President for a five-year term beginning April 9. The World Bank President is Chair of Boards of Directors of the International Bank for Reconstruction and Development (IBRD) and International Development Association (IDA).

## MERGERS & ACQUISITION

### Dr Reddy's Laboratories acquires a portfolio of 42 ANDAs in US

Drug major Dr Reddy's Laboratories said it has acquired a portfolio of 42 abbreviated new drug applications (ANDAs) in the US. The company said it has entered into a definitive agreement to acquire yet to be marketed portfolio of ANDAs, including more than 30 generic injectable products, Dr Reddy's Laboratories said in a regulatory filing. This transaction will help augment company's injectables product portfolio in the US market and globally.



### Lakshmi Vilas Bank board approves merger with Indiabulls Housing Finance

Lakshmi Vilas Bank said its board has approved a share swap acquisition by housing finance firm Indiabulls Housing Finance. The boards of both entities approved the merger proposal. This would be the second time that a non-banking financial company (NBFC) has acquired a bank since Capital First acquired IDFC Bank to form IDFC First Bank last year. But, the approval of the merger proposal of private-sector lender Lakshmi Vilas Bank Ltd and Indiabulls Housing Finance Ltd is pending before the RBI. It will examine the proposal upon receiving it from the parties in line with regulatory guidelines.



## REGULATORY

### Filing of DIR-3 KYC required on an annual basis

It has been clarified by the MCA that DIN holders are required to file the DIR-3 KYC Form every year, so that they are aware of and confirm the data and information as available in the MCA21 system. MCA has mentioned that the updated version of form is under process so that filings can be done by DIN holders in a simple and user friendly manner. The revised form, which will be shortly deployed, can be filed without any fee within a period of 30 days from the date of deployment. Accordingly, DIN holders who had filed DIR-3 KYC form earlier and complied with the said provisions may kindly await the deployment of the modified form for fulfilling their compliance requirements.

### 51 companies yet to appoint women independent directors to comply with SEBI guidelines

SEBI in its board meeting decided that the top 500 listed entities by market capitalisation should have at least one female independent director, on or before April 1, 2019. This is a move by SEBI to promote gender parity in the Indian Companies. But a reality check shows a different picture. As per the data compiled by Prime Database Group, 51 companies amongst these 500 listed entities have failed to comply with the rules set by SEBI and some of them also belong to the top 100 entities enlisted by market capitalisation by NSE. Eventually, 42 of the top 500 companies appointed an independent woman director only in the last week of March, i.e., 25<sup>th</sup> March, 2019 – 1<sup>st</sup> April, 2019, in spite of having close to a year's time for the same.

### Mandatory filing of one time return in DPT-3 Form

As per Rule 16A(3) of the Companies (Acceptance of deposit) Rules, 2014 "every company (other than Government company) shall file with ROC a onetime return in Form DPT-3 for receipt of money/loan by a company but not considered as deposits outstanding from 1<sup>st</sup> April, 2014 to the date of publication of notification in the official gazette (i.e., 22<sup>nd</sup> January, 2019) within 90 days from the date of publication of notification in the official gazette (i.e., by 22<sup>nd</sup> April, 2019). However, vide a clarification of MCA dated 12<sup>th</sup> April, 2019, it has been clarified that pending the deployment of DPT-3 Form on MCA 21 portal, the additional fee shall be levied after 30 days from the date of deployment of the DPT- 3 form on MCA 21 portal. It has also been stated that the data on deposits should be filed upto 31st March, 2019 (as opposed to 22nd January, 2019 which was originally indicated in the said notified Rule). To make it effective, the new Rule is being issued by the MCA separately.

### New SEBI strictures on subsidiaries make accountants even more accountable

The Securities and Exchange Board of India's (SEBI) new rule pertaining to reviewing the account of unlisted subsidiaries of listed entity could go a long way in preventing the reoccurrence of the IL&FS debt saga. The regulator last month issued guidelines on group audit making statutory auditors even more accountable while preparing audit report, mandating them to undertake a limited review of all entities accounts of which are consolidated with the listed entity. The new rule, effective from April 1, is in line with



recommendations of the Uday Kotak committee report on corporate governance. The committee had recommended that "auditor of the holding company in case of listed entity should be made responsible for the audit opinion of all material unlisted subsidiaries".

## Amendments relating to one-time return of deposits

The Ministry of Corporate Affairs ("MCA") has through a notification dated 22nd January, 2019 issued the Companies (Acceptance of Deposits) Amendment Rules, 2019 ("Amendment Rules") in consultation with the Reserve Bank of India (RBI), in order to protect and safeguard the interest of deposit holders or creditors of the company. An explanation has been added under Rule 16 which deals with Return of deposits to be filed with the Registrar, which states that Form DPT 3 shall be used for filing return of deposit or particulars of transaction not considered as deposit or both by every company other than Government company. A new Rule has been inserted after Rule 16(A) sub rule (2) which states that every company other than Government company shall file a onetime return of outstanding receipt of money or loan by a company but not considered as deposits, in terms of clause (c) of sub-rule 1 of rule 2 from the 01st April, 2014 to 22nd January, 2019, as specified in Form DPT-3 within 90 days from the 22nd January, 2019, i.e., 22nd April, 2019 along with fee as provided in the Companies (Registration Offices and Fees) Rules, 2014.

## Are you looking for a Certified Woman Director on your Board?

As per SEBI Regulations and Companies Act, 2013, all listed and other public companies should have at least 1/3 of Directors as Independent directors and 1 woman director.

For certain class of listed companies, an independent woman director needs to be appointed in the board effective April 1, 2019.

IOD has trained over 500 women executives and professionals as certified corporate directors.

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