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Newsletter

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EDITOR'S PICK

Will Corporate Governance In India Change From April 2019?

The Government has shown its keenness to put into force the governance recommendations of Kotak Committee quickly. Accordingly, it provided for a phased timeline of implementation from 1 October 2018 to 1 April 2020, with most of the requirements falling due for implementation on 1 April 2019.

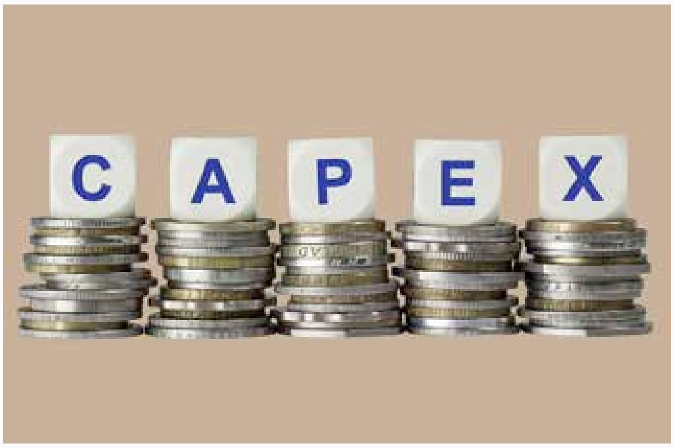
THE BUSINESS news in the recent times has been hogged by corporate hubris! IL&FS tripping with allegations of top-management fraud; Fortis Healthcare complaining that their promoters – now the infamous Ranbaxy-Singh brothers – have fraudulently sucked-out multiple crores; allegations of DHFL creating shell companies to divert funds - the stories of corporate deceits are unending.

Corporate governance in India seems to be under a severe strain. Will things change?

Let us look at what is corporate governance at the broadest level. Business governance is all about READ MORE..

Signs Of Capex Recovery In First Half Of Current Fiscal: RBI Study

A revival in the investment cycle could be underway in the medium term. Recent efforts to strengthen balance sheets of both corporates and the banking sector should provide a conducive environment for a pick-up in capital formation, the study said



'PRIVATE CORPORATE Investment in 2018-19: Slow Recovery Underway' a study by S Sujeesh Kumar and RK Sinha of RBI's Department of Statistics and Information Management, says the projects sanctioned in the first half of 2018-19 show some recovery in the capital expenditure (Capex) cycle.

According to the study, going forward, investment activity is expected to gather pace, benefiting from the pipeline projects lined up by private corporates.

"A revival in the investment cycle could be underway in the medium term, as revealed in these investment plans. Recent efforts to strengthen balance sheets of both corporates and the banking sector should provide a conducive environment for a pick-up in capital formation," media reports quoted the study.

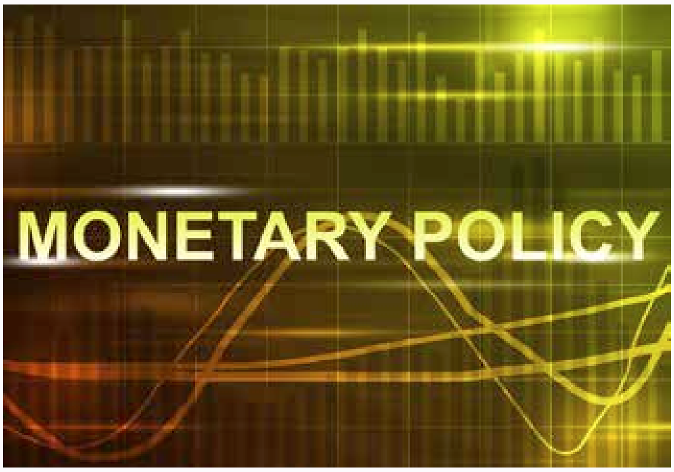
The study said: "Improved capacity utilisation and business expectations in the first quarter of 2018-19 READ MORE..

Ahead Of MCP Meeting On April 4, RBI Governor To Meet Trade Bodies, Rating Agencies On March 26

Reserve Bank of India (RBI) Governor Shaktikanta Das will hold discussions with representatives of trade bodies and credit rating agencies on interest rate and steps to boost economic activities.

ON MARCH 26, Reserve Bank of India (RBI) Governor Shaktikanta Das is scheduled to hold discussions with representatives of trade bodies and credit rating agencies on interest rate and steps to boost economic activities, according to media reports. The meeting comes ahead of the next financial year's first MPC meet scheduled for April 4 and is aimed at broadening the consultation process, a report in FE Online said.

The bi-monthly policy, to be finalised by the six-member Monetary Policy Committee (MPC) would be announced just a week before the seven phase general elections commence from April 11. "The pre-policy consultation meeting" with the governor will take place in Mumbai on March 26, the report said.



The governor has called trade bodies, including industry chambers and rating agencies and representatives of the All India Bank Depositors' Association for the discussion. Das has been meeting industry chambers, non-banking financial companies, bankers, government representatives and rating agencies for their views on different aspects of the economy and the measures they expect from the central bank, media reports said.

It may be recalled that Das, soon after taking charge as the 25th governor of the RBI in December 2018, had promised to take all stakeholders, including the government, along on key policy issues to maintain growth while keeping inflation under check.

The RBI cut the interest rate in its February monetary policy after a gap of 18 months. However, the industry is clamouring for another rate cut as retail inflation is below the RBI's benchmark of 4 per cent and need for boosting growth is pressing.

According to media reports, there have also been complaints that banks do not pass on the entire benefit of policy rate cut to borrowers. In February, Das had held meeting READ MORE..

Assocham Releases Charter Of Demands

Pitches for 8-8.5 per cent growth rate and calls for inclusion of charter in political parties' poll manifestos.

A CHARTER of demands to make India a $5 trillion economy by 2025 was released on Sunday by industry body Assocham. According to media reports, the industry body has also exhorted political parties to incorporate the charter in their Lok Sabha poll manifestos.

Assocham, in a statement said it wants political parties to pledge to enable growth rate of 8-8.5 per cent per annum.

Some its other demands that the industry body wants incorporated in the political parties' 2019 election manifestos include simplification of GST structure, time bound dilution of government stake in Public Sector Undertaking (PSUs), tax rebate of 1 per cent to companies that offer over 20 per cent jobs for women and cut in corporate income tax for MSME sector.

Expeditious roll-out of Ayushman Bharat and reducing education cost by minimising GST on outsourced education services from 18 per cent to 5 per cent, are also among its demands.

Assocham has also suggested creation of development finance institutions to provide long term non-bank funding option to the industry. It says this step will boost economic growth and investment.

Among its demands is exemption of GST on leasing services for farm equipment and machinery, as well as creation of Technology Up-gradation Fund (TUF) for agriculture to provide capital subsidy to farmers. The industry body said these will improve farmers' income.

Assocham said, "Alleviate the losses to farmers from perishable produce by setting up robust supply chain system and cold storage or equivalent facilities at airports/ stock junctions for efficient transportation."

It has suggested gradual simplification of GST structure to dual rate slab of 8 and 16 per cent, to boost manufacturing.

Further a reduction in the corporate income READ MORE..