

NEWS & VIEWS

MARCH 2022

PERSONS IN NEWS

Prabha Narasimhan named as CEO of Colgate-Palmolive India



Prabha Narasimhan has been appointed as the Chief Executive Officer and Managing Director of Colgate-Palmolive (India) Limited.

She succeeded Ram Raghavan, who has been promoted to the role of President, Enterprise Oral Care, at Colgate Palmolive Company. Prior to this, she was working as Executive Director of Hindustan Unilever (HUL).

Sanjiv Kapoor appointed CEO of Jet Airways



Sanjiv Kapoor has been appointed as the new Chief Executive Officer of Jet Airways. Prior to this, Kapoor was the president of Oberoi Hotels and has also worked as a chief operating officer at SpiceJet and chief strategy and commercial officer at Vistara. He has worked as the Chief Strategy and Commercial Officer of Vistara Airlines for three years, and Chief Operating Officer of SpiceJet for two years.

Tata Sons' Chief N Chandrasekaran appointed as Air India chairman

Tata Sons have appointed N Chandrasekaran as the Chairman of Air India, now owned by Tata Group. Chandrasekaran also serves as the Non-Executive Chairman of several other Tata Group companies, including Tata Consultancy Services, Tata Motors, Tata Steel, Tata Chemicals and Tata Consumer Products. He was reappointed Tata Sons Executive Chairman last month for another five years.



MERGERS & ACQUISITIONS

Adani Group to acquire minority stake in Quintillion Business Media



Adani Group is set to acquire a minority stake in Raghav Bahl's Quintillion Business Media Pvt Ltd. The proposed transaction with the Adani Group is only for QBM, which is a digital business news platform, and not in relation to other digital media or media tech properties owned by Quint Digital viz. The relationship between Adani Media Ventures and Quintillion marks a strong beginning of Adani Group's foray into Indian media.

Quick delivery app Blinkit to merge with Zomato: Share swap deal may value Blinkit at \$700-750 million



Online food-delivery provider Zomato is in talks to buy Blinkit, previously Grofers, in a share-swap transaction.

This follows Zomato's \$100 million investment in the Gurgaon-based quick-commerce business last year, which gave it 10% ownership. The merger has been forecasted as a possible result of Zomato's investment in Blinkit.

Tech Mahindra to acquire 100% stake in Thirdware Solutions for \$42 mn

Tech Mahindra is acquiring IT services firm Thirdware Solutions in an all cash deal for a consideration of up to \$42 million, including earnouts. The transaction, for acquisition of 100% stake, in the Mumbai-headquartered global player in Enterprise Applications is expected to be completed by May 31. The Acquisition will bolster Tech Mahindra's digital solutions and services in automotive consulting, design, development, and implementation in areas like ERP (Enterprise Resource Planning), EPM (Enterprise Performance Management), RPA (Robotic Process Automation), and IIoT (Industrial Internet of Things).



ECONOMY

Asian banks 'falling short' on decarbonization efforts

Banks in Asia are "falling short" when it comes to meeting global pledges to tackle climate change and aligning with the decarbonization aims of their countries, according to a study. Nearly 200 countries signed a pact in Glasgow, Scotland, last year calling on banks and financial institutions across the world to mobilize more finance to help achieve global climate goals and to seek innovative ways to pay for climate adaptation. But a review of 32 banks throughout East and Southeast Asia showed that none had made any clear commitments or adequate implementation plans to meet the goals of the Paris climate agreement, according to Asia Research & Engagement (ARE), a Singapore-based environment group. Asia's banks are falling short in aligning with national decarbonisation policies and are not yet taking the steps necessary to meet global climate goals, ARE said.



Glenmark makes debut in ESG loans, raises \$228 million: ESG loan

Glenmark Pharmaceuticals has made its debut in sustainability-linked loan (SLL) market with a \$228-million fund-raise. These loans are designed to encourage borrowers to achieve milestones in their sustainability goals. The proceeds of the loans do not have to be used for green projects. A key feature is a reduction in the cost subject to achievement of milestones. According to bankers, an increasing number of international lenders are fixing targets on lending under SSL, which is leading to an expansion of the market for these funds.



SUSTAINABILITY

Tech Mahindra amongst 95 companies to sign 'The Climate Pledge'

95 new signatories including Tech Mahindra, SAP, Maersk and Harman have joined 'The Climate Pledge', the commitment to reach the Paris Agreement 10 years early and be net-zero carbon by 2040. Amongst the new signatories, IT firm Tech Mahindra has taken medium-term and long-term targets approved by SBTi (Science Based Target Initiative). It has adopted a climate action plan that provides a roadmap to become carbon neutral by 2030 and be Net Zero much before 2050. It has also implemented Carbon Prices to abate GHG emissions and invested in various sustainability projects like increasing renewable energy mix, improving resource efficiency, implementing Environmental Management Systems, and investing in LEED and Green Building Certifications.



India Plan to issue \$3.3 Billion Sovereign Green Bond

India will issue at least 240 billion rupees (\$3.3 billion) in sovereign green bonds. The development comes as India is making a shift towards a low-carbon economy. Notably, at the COP26 summit last year, India had committed to meet its net-zero carbon economy by 2070. The debut sale may take place in the first half of the fiscal year that starts on April 1, and a decision to sell more green debt will depend on the response to the initial issuance.



REGULATORY

ICAI's to introduce focused initiatives aimed at Inclusive Growth, Sustainable and Resilient Global Ecosystem and Digitisation



The Institute of Chartered Accountants of India (ICAI) has announced a series of initiatives aimed at further enhancing its mission of being a true partner in nation building, empowering students and upholding "Independence, Integrity and Excellence" of the Chartered Accountancy profession. Some of the key initiatives have been reproduced below from their **Press Release** dated March 22, 2022:

- ICAI plans to **develop and issue a single Comprehensive Framework for Social Audit Standards** for audit of Impact Reporting of Social Enterprises listed on SSE and area specific Social Audit Standards with respect to sub - themes of social impact, for example, poverty, nutrition etc. The **standards would cover all aspects of assurance of impact reporting** like, scope, engagement acceptance, basic principles, audit procedures, assurance report, documentation, etc.
- The activities of the Institute will continue to grow in significance especially in the light of the rise of the **Digital Economy**.
- In the wake of popularity of virtual currencies or cryptocurrency, ICAI would be undertaking a detailed study about virtual currencies, a new phenomenon but the importance of which is catching up globally. A Research Group is being constituted by ICAI and shall be soon undertaking the task.

CA. (Dr.) Debashis Mitra, President, ICAI shared "ICAI has been in the forefront of giving a boost to the digital economy of the country and has rolled out many initiatives like Digital Learning Hub, UDIN, Digital Competency Maturity Model, Self Service Portal and the Financial Literacy Drive. Further enhancing its digital drive by expanding the use of Blockchain Technology, ICAI plans to use Blockchain in finance and audit function, Decentralized finance (DeFi) and align Blockchain with other technology areas like Big Data, AI etc."

Industry bodies make representation to SEBI; plea to review related party norms

Industry bodies have made a representation to SEBI seeking changes in the new norms on related party transactions that will come into effect from April 1. They have argued that the norms will make it difficult for companies that are large financial investors like LIC and will need to frequently obtain shareholder approval for transacting with firms they have invested in. The new related party transactions norms were introduced by Sebi last year to curb the diversion of funds by promoters. The norms were part of the listing and disclosure requirements and were aimed at improving corporate governance in companies.

Separation of roles of Chairperson and MD made voluntary: SEBI



Markets regulator SEBI (Securities and Exchange Board of India) has changed the requirement for top 500 listed companies to split Chairperson and Managing Director/Chief Executive Officer positions at listed companies will not be mandatory and will be implemented on a voluntary basis. SEBI had earlier asked listed entities to split the roles of Chairperson and MD before the April 2022 deadline. Listed entities were initially required to separate the roles of chairperson and MD/CEO from April 1, 2020 onwards. However, based on industry representations, an additional time period of two years was given for compliance. The norms were part of the series of recommendations given by the Sebi-appointed Uday Kotak committee on corporate governance.

MSME NEWS

\$400 bn goods export true testimony of capabilities of MSMEs, young entrepreneurs, others: Piyush Goyal



Hailing MSMEs contribution in helping India get to an all-time high merchandise exports value of \$400 billion in the current financial year. The achievement showcases the capabilities of young entrepreneurs, MSMEs, and others. Milestone is a true testimony of the sheer grit, determination, self-confidence and capabilities of our young entrepreneurs, farmers, MSME sector, tiny industries, handlooms, handicrafts sector, dairy sector, etc. Commerce Minister Piyush Goyal said. The value of goods exported had jumped 37 percent from \$292 billion in Fy21.

Over 95% of ECLGS beneficiaries are MSMEs: Finance Minister



Around 95.21 percent of total beneficiaries under the Rs. 5-lakh-crore Emergency Credit Line Guarantee Scheme (ECLGS) have been micro, small and medium enterprises (MSMEs), according to the government. As per the National Credit Guarantee Trustee Company Limited (NCGTC), which operates the scheme, Minister of State for Finance Bhagwat Karad said that 117.87 lakh businesses have been supported as of March 11, 2022, with fully guaranteed collateral-free loans under ECLGS. Finance Minister Nirmala Sitharaman on the budget 2022-23 said banks had sanctioned Rs 3.1 lakh crore loans while Rs 2.36 lakh crore loans were disbursed under ECLGS. She had also announced the extension of the scheme till March 2023 from March 2022.