

Mastercard starts deleting Indian transactions data stored overseas

Global payment services provider Mastercard on Tuesday said it has already started deleting data related to Indian transactions stored overseas and the process is likely to be completed by the end of this year.

have said that storing data domestically would impair their ability to detect fraud and incidences of money laundering.

months, there will be no connection between India data and the US entity with regard to any domestic transaction. "Currently, the processing capability of Mastercard is in the US centre. India will be the second such centre," Varma said.



The company also said it is in compliance with the Reserve Bank of India's (RBI) regulations on data localisation as all domestic data from October last year has already been stored in the country.

Company Law Tribunal (NCLT). But if they don't do it, banks may be asked to make steep provisions," said a person privy to the discussion.

A board member expressed displeasure on the definition of default.

However, the central bank maintained it was not willing to change the definition, which will continue to be as it is — from day one of failure to repay the loan.

"This provision on default may remain intact in the new circular," said the source.

The original "resolution of stressed assets" framework created a huge rift between the government and the RBI, and perhaps led to the exit of Urjit Patel as governor.

The framework had said accounts in default of Rs 2,000 crore and above could be taken for a resolution process and if that did not fructify, the banks could then send the companies for insolvency proceedings. Importantly, even a day's delay in servicing loans was termed default.

The Supreme Court in early April ruled that for each account the RBI would have to take permission from the Centre before allowing banks to invoke insolvency rules.

The circular fell through on technical grounds and the RBI had to go back to the drawing-board for a revised one.

The board discussed "the medium term strategy document, covering, inter alia, the mission statement and the vision statement", the RBI said in a release on its website.

Sources say the Vision 2022 plan, called Utkarsh 2022, which would start on July 1, focuses on six areas including financial inclusion, financial stability and sustainable growth.

"We have already started storing all domestic data on soil and have started deleting the data overseas," said Vikas Varma, senior vice-president (account management, South Asia) at Mastercard. "RBI has not given any deadline yet. On an ongoing basis, we have already started it," he added.

The central bank, in April last year, had set a deadline of six months ending October 2018 by which it directed all global payment companies to store transaction data of Indian customers in the country.

Mastercard and its larger rival Visa were among firms which had requested for an extension after missing the deadline. Global fintech firms

"The regulator wants us to do data residency and data localisation. Also, 'no mirror' (of the data) is allowed under RBI regulations. So, we have gone a step ahead and are setting up a data processing centre in India," Varma said. "This will allow us to process India data in the country. So, the data will never go out," he added.

The greenfield data processing centre is being set up in Pune at an investment of around \$350 million out of its planned investment of around \$1 billion in the next five years, the Mastercard official said.

According to the company, once the centre becomes operational in the next 12-18

Vistara appoints Vinod Kannan as chief strategy officer before global foray

Vistara has appointed Vinod Kannan its chief strategy officer ahead of its planned international foray. Kannan, who was the chief commercial officer at Scoot, Singapore Airline's budget arm, will look after network planning and

certain changes have been introduced in the leadership structure. Strategy and commercial are cornerstones of any airline's business, and



airline alliances at Vistara.

Currently, these two functions are handled by Sanjiv Kapoor, the chief strategy and commercial officer of the airline. Kapoor will remain the chief commercial officer and focus on sales, marketing, cabin services, loyalty programme and other functions.

"As Vistara accelerates its growth and prepares to take the next leap in its journey of becoming a global brand,

the airline is now evaluating other destinations such as Dhaka and has sought government permission to launch services to Bangkok and Singapore. It has code share ties with Singapore Airlines, British Airways, and Japan Airlines.

Industry sources say Kannan, who was previously working as Singapore Airlines manager in East India, could be tipped for a larger role in Vistara given his experience in network planning and commercial roles.

Vistara denied Kapoor is leaving the airline. Kapoor, too, told his colleagues there was no truth in the rumours of his exit. Kapoor had joined Vistara from SpiceJet where he served as chief operating officer.

Tatas eye all-round play in India's FMCG sector

The demerger of the consumer products business of Tata Chemicals, including food brands Tata Salt and Tata Sampann, into Tata Global is the first of the group's bid to expand its presence in the fast-moving consumer goods (FMCG) segment.

The second leg will see the Mumbai-based conglomerate use a little-known detergent called Tata Dx to get into home care, top sources have told. It will also get into personal care, they said, as part of the diversification plan in FMCG. Tata Dx, which was launched as a pilot in West Bengal during the March quarter by Tata Chemicals, has been transferred to Tata Global as part of the demerger exercise.

People in the know say the new name of Tata Global, which is Tata Consumer Products, was given keeping in mind the firm's larger interest in the sector. Post demerger, Tata Global will see its turnover rise 25 per cent to Rs 9,099 crore with earnings before interest tax depreciation and

amortisation (Ebitda) at Rs 1,154 crore.

"Calling it Tata Global Food and Beverages would have limited its prospects to certain segments only. The name Tata Consumer Products, on the other hand, has no such limitations. The group will be able to expand and experiment a lot more in FMCG under this name, which is important if it

has to grow in the sector," an official said.

Harish Bhat, brand custodian, Tata Sons, said in a conference call following the announcement on Wednesday that the demerger was actually an amalgamation of the FMCG businesses of the two companies (Tata Global and Tata Chemicals) and the idea was to ensure that synergistic units came together.

Mobile user base dips 22 mn in March, suffers biggest fall since April 2018

The number of mobile users in the country dipped by 21.87 million in March this year in the space of one month, the biggest decline since April 2018, mainly on account of operators weeding out their low-revenue subscribers.

According to the latest data from the Telecom Regulatory Authority of India (Trai), the number declined from 1.18 billion at the end of February to 1.16 billion at the end of March, registering a monthly decline rate of 1.85 per cent.

Mukesh Ambani's Reliance Jio, however, continued to add wireless subscribers. It gained 9.49 million users during the month under review. In comparison, the two incumbent telcos — Bharti Airtel and Vodafone Idea — lost 15.1 million and 14.5 million users in March, thanks to their minimum recharge plans.

In April 2018, the Trai data had shown a net decline of 58 million mobile phone users. This was, however, primarily due to Airtel filing for bankruptcy proceedings, after which the company's roughly 74-million customer base reduced to zero.

Earlier, in January 2018 there was a 1.3 per cent (15.5 million) decline in the mobile subscriber base after Reliance Communications shut down its mobile phone calling services in December 2017 and subscriber losses by Airtel, Telenor and Tata Teleservices.

The March numbers, however, reflect a different

trend — that of cleaning up low-paying subscriber bases to improve the average revenue per user (ARPU), a



strategy adopted by Bharti Airtel and Vodafone Idea since the third quarter of FY19. "Both the companies want to focus on the paying subscriber base. They are cleaning up their subscriber bases to improve ARPU and improve their Ebitda margins," said a Mumbai-based analyst.

Morgan Stanley analysts noted in a recent report that Vodafone Idea reported a 35-million reduction in the subscriber base in the third quarter of FY19 and another 53 million in the fourth, resulting in a subscriber base of 334 million at the end of March. The analysts also noted, "Airtel also reported a 48.5 mn reduction in Q3FY19, but the movement in Q4FY19 has still not been disclosed due to the ongoing rights issue."

Experts say the decline in numbers is a positive for the incumbents. "The companies decided to shed the 'incoming only' customers, which had choked the network of these service providers," another Mumbai-based analyst said. The results are showing.

The Trai data showed the proportion of active wireless subscribers, which is measured through the VLR metric, had improved.

Bharti Airtel has the maximum proportion (100.82 per cent) of its active wireless subscribers as against its wireless subscribers on the date of peak VLR in March 2019. In the fourth quarter of FY19, Vodafone Idea posted a 17 per cent quarter-on-quarter (QoQ) improvement in ARPU (Rs 104) while analysts estimate Bharti Airtel's ARPU improved by 21 per cent QoQ. Amid the subscriber losses by the two incumbents, Jio was the only mobile service provider that witnessed a growth rate of 3.19 per cent in wireless subscribers in March.

The monthly decline rates of urban and rural wireless subscription in March were 0.93 per cent and 2.99 per cent, respectively. As of March 31, 2019, the private access service providers held 89.74 per cent market share of the wireless subscribers whereas BSNL and MTNL, the two public-sector access service providers, had a market share of only 10.26 per cent.

Of the 22 service areas, six showed positive growth in wireless users in March 2019. The Assam service area showed maximum growth of 2.46 per cent and the Bihar service area showed the maximum decline (4.52 per cent) in their wireless subscribers during the month.

RBI rules out credit line for NBFCs, discusses revised bad loan circular

The Reserve Bank of India (RBI) board on Tuesday suggested not extending a credit line to struggling non-banking financial companies (NBFCs) because it felt there was no systemic liquidity issue but there were solvency concerns in some large entities.

The board, headed by RBI Governor Shaktikanta Das, met in Chennai and discussed the NBFC crisis as well as a revised circular that would replace the controversial "resolution of stressed assets" framework released by the central bank on February 12, 2018.

The RBI is working on a liquidity framework for the NBFC sector and that may be released soon. Though an asset quality review (AQR) is not on the cards for NBFCs, the board was informed the central bank had called the management of large NBFCs and asked them to submit plans, with timelines, for capital infusion and asset monetisation.

The NBFC liquidity issue was discussed at length in the meeting "but the liquidity is enough in the system", a source said.

The central bank is keeping a tab on the liquidity position of these firms on a monthly basis and recently asked NBFCs with assets over Rs 5,000 crore to appoint a chief risk officer.

On the revised stressed assets resolution framework, it was decided that the RBI would not force banks to take stressed assets to the bankruptcy court but would "incentivise them" through revised norms.

"The reading from the Supreme Court judgment is that banks cannot force a company to the National

Bosch Q4 net profit dips 5% to Rs 411.70 cr on slump in automotive market

Global auto component maker Bosch on Tuesday reported a 5.09 per cent decline in its net profit at Rs 411.70



revenue rose around 5 per cent to Rs 12,258 crore. "The results in Q4FY19 must be contextualised within the predominant weakness of the overall automotive market," said Soumitra Bhattacharya, managing director at Bosch.

The firm has been trying to sell non-core assets, including its education finance arm. Recently, it had said it was in talks with strategic investors to sell a significant stake in the original company.

DHFL's share price had halved on a single day in September, after DSP Mutual Fund was unable to sell its papers in the market and had to offload at a steep discount. The firm's promoters have been accused with siphoning off funds, which DHFL denied strongly.

The shares of the company had risen 11 per cent in two days on hope of a liquidity window from the central bank but those hopes have been dashed after the RBI board meet.

revenue rose around 5 per cent to Rs 12,258 crore. "The results in Q4FY19 must be contextualised within the predominant weakness of the overall automotive market," said Soumitra Bhattacharya, managing director at Bosch.

"Through targeted investments, infrastructure developments within the organisation and adoption of technology, we look to secure our business in challenging times for the automotive industry in the country," he said.

According to the company, its total investment during the last financial year was at Rs 597 crore, an increase of 30 per cent over the previous fiscal. The firm said it is currently supporting clients in

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Liquidity-starved DHFL stops fresh deposits, premature withdrawals

Liquidity-starved Dewan Housing Finance Ltd (DHFL) has said it won't allow premature withdrawals of its deposits, with immediate effect, in order to reorganise its liability management. The housing finance company has also stopped accepting fresh public deposits and renewals of existing deposits.

On Friday, the company's credit rating was downgraded by Brickwork Ratings to 'BBB-Plus' (from the earlier 'AA-negative'), and put on 'a credit watch with negative implications'.

Also on Tuesday, the Reserve Bank of India (RBI) board said it would not extend a special line of credit for the non-bank financial corporation (NBFC) segment.

BBB is considered a non-investment grade rating. According to National Housing Bank (NHB) rules, such companies may not accept deposits. Therefore, since they cannot take new money, redeeming deposits prematurely is also not possible. It is their right to not entertain a premature withdrawal in such cases, said a company official.

The company's fixed deposit liability is Rs 12,000 crore, which has also been

downgraded by the rating agency.

"In view of the recent revision in the credit rating of our fixed deposit programme, acceptance of all fresh deposits, as well as renewals, has been put on hold with immediate effect," DHFL sent a notice to its distributors on Tuesday. "Further, to help us re-organise our liability management, pre-mature



withdrawal of deposits has also been put on hold. However, we will continue to honour all premature deposit withdrawal requests in any medical or financial emergency."

The company said it remained solvent. "Over the last few weeks, there have been several unwarranted speculation in the market about the creditworthiness of DHFL. We assure you that we stand committed to honouring all our liability payments and have demonstrated this by repaying liabilities amounting to approximately Rs 30,000

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NOTICE

Pursuant to Regulation 47(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Notice is hereby given that meeting of Board of Directors of the Company is scheduled on Thursday, 30th May, 2019 at 5:00 P.M. at the registered office of the Company, inter-alia to consider and approve Audited Standalone Financial Statements and Consolidated Financial Statements for the quarter/year ended on 31st March, 2019. Further Details will be available at company's website http://dynamind.com/investors_zone.html and on BSE's website <http://www.bseindia.com/stock-share-price/dynamic-industries-td/dynamind/524818/>

By Order of the Board
Sd/-
Ganesh Temkar
Company Secretary

Date : 22nd May, 2019
Place : Ahmedabad