

<b>Daily Economic News Summary: 29 April 2019</b>
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**1. Govt Notifies New Accounting Standard, Lease Rule To Impact Airlines**

**Source: Business Standard ([Link](#))**

The government has notified a new accounting standard Ind AS 116 that will bring in more transparency in recognition and disclosures about leases in companies' balance sheets, a senior official said on 28 April. The Indian Accounting Standard (Ind AS) 116 is expected to have a significant impact on various industries, including aviation where airlines mostly operate planes on lease. Ind AS 116 to be effective from April 1 sets out the principles for recognition, presentation and disclosure of leases.

**2. Dr Reddy's Laboratories Renews Focus On Chronic Segment; Gets India Head**

**Source: Business Standard ([Link](#))**

Hyderabad-based Dr Reddy's Laboratories (DRL) is trying to reform its domestic business with a renewed focus on the chronic segment. As a part of the strategy, the company is putting in place a new senior leadership team for India, including a new India business head and a marketing head, focussing on improving sales force productivity and adding marketing capabilities. Domestic branded sales account for nearly 20 per cent of DRL's overall sales. According to analysts, DRL's domestic revenue grew by 15 per cent in the first nine months of FY19...

**3. Maruti's Plan To Phase Out Diesel Vehicles Puts Suppliers On Edge**

**Source: Livemint ([Link](#))**

Bosch Ltd, Continental AG and other vendors to Maruti Suzuki India Ltd are facing business uncertainties following the car maker's decision to abandon making diesel vehicles from next April. Those affected are the key engine parts suppliers to diesel powertrains used by India's largest carmaker in its diesel vehicles, at least four people with knowledge of the matter said. These companies are undergoing a churn in their order books and production plans following Maruti's decision, the people said, requesting anonymity.

#### **4. BigBasket To Invest \$100 Million To Strengthen Supply Chain**

**source: Livemint ([Link](#))**

Alibaba-backed company BigBasket is pumping in \$100 million (about ₹698 crore) to strengthen its supply chain by setting up vending machines and smaller distribution centres across various cities it operates in. The online grocery platform -- which is registered as Supermarket Grocery Supplies -- had recently raised \$150 million in funding, led by Mirae Asset-Naver Asia Growth Fund, CDC Group and Alibaba Group. This move will help BigBasket reduce delivery time and ensure quality of dairy and fresh produce, he added. The company expects its capital expenditure towards these initiatives to be about \$100 million this year.

#### **5. Finance Ministry Starts Consultation With Investors To Launch Global ETF**

**Source: Business Standard ([Link](#))**

The Finance Ministry has started consultation with global investors for launching CPSE-scrip based Exchange Traded Fund (ETF) in overseas market in the current fiscal, a government official has said. The Department of Investment and Public Asset Management (DIPAM) will start developing the index for the ETF based on investors' feedback about demand of sector specific stocks. The government currently has two exchange-traded funds -- CPSE ETF and Bharat-22 ETF -- listed on domestic exchanges. ETFs function like a mutual fund scheme and have underlying assets of government-owned companies.

#### **6. InterGlobe Hotels plans Rs 700 cr Investment To Add 6 Hotels In India by 2022**

**Source: Firstpost ([Link](#))**

InterGlobe Hotels, a joint venture between InterGlobe Enterprises and global hospitality major Accor Hotels, plans to invest around Rs 700 crore to add six hotels in India by 2022, a top company official said. The company currently has 19 hotels across the country under 'Ibis' brand with 3,559 rooms. "By 2022 we will have up to 25 hotels in India. We will be adding 6 more hotels in the country. We will be investing around Rs 700 crore for this expansion," InterGlobe Hotels President and CEO J B Singh told PTI. The new hotels will come up at Bengaluru, Mumbai, Thane and Goa. With the addition of these six hotels, we will be adding around 980 rooms, he added.

## **7. A91 To Lead \$30 Mn Funding Round In Hector Beverages**

**Source: Livemint ([Link](#))**

Venture capital firm A91 Partners is in final negotiations to lead a \$30 million funding round in Hector Beverages, best known for its Paper Boat brand of ethnic Indian drinks, three people aware of the matter said. Belgian investor Sofina, one of the company's existing investors, is also expected to participate in the round, with Hector seeking a valuation of about \$200 million after the round, said one of the three people cited above, all whom spoke on condition of anonymity. As part of the ongoing round, A91 has already invested an initial tranche of \$1.45 million in Hector on 20 March, regulatory filings with the Ministry of Corporate Affairs showed.

## **8. India Working On District-Based Development Model For Growth, Says Suresh Prabhu**

**Source: Financial Express ([Link](#))**

Union minister Suresh Prabhu on 27 April said the country is working on district-based developmental model to achieve aggregate growth. For this, six districts has been selected in different parts of the country, Prabhu said while addressing a session here. The Union minister for commerce, industry and civil aviation said if the national growth was at six per cent and those of the districts was four per cent, the aggregate growth would be 10 per cent. "The first phase of the project has been completed. The second phase will include industry, services and agriculture," he added. He also called for the restoration of the trade balance with China. India's huge trade deficit with China would have to be corrected and a Chinese minister has been invited to discuss the issue, Prabhu said.

## **9. Around 200 US Companies Looking To Shift Manufacturing Base From China To India, Says USISPF**

**Source: Financial Express ([Link](#))**

About 200 American companies are seeking to move their manufacturing base from China to India post the general elections, a top US-based advocacy group has said, observing that there is a fantastic opportunity with firms looking at alternatives to the Communist giant. The US-India Strategic and Partnership Forum's (USISPF) President Mukesh Aghi said that the companies are talking to them about how to set up an alternative to China by investing in India. Aghi said that they have formed a high-level manufacturing council within the member companies, led by John Kern, Senior Vice President of Supply Chain Operations at Cisco who are putting a document together detailing what India needs to do to turn it into a manufacturing hub. "We plan to have the document ready by the time elections are over as part of recommendation," he said.

## **10. Soon, Businesses May Have To Generate GST E-Invoice On Govt Portal**

**Source: Business Standard ([Link](#))**

GST officers are working on a system where businesses above a certain turnover threshold will have to generate 'e-invoice' on government or GST portal for every sale, thereby effectively reducing the room for tax evasion. To start with, businesses above a specified threshold will just get a unique number for every electronic invoice or e-invoice generated. This number can be matched with the invoices reported in the sales return and taxes paid, an official said. Going forward, businesses will be required to generate full electronic-tax invoice or e-invoice recording entire value of sales.

## **11. Pharma Exports Grow 11%, Cross \$19 Bn**

**Source: The Hindu ([Link](#))**

India's pharmaceutical exports grew a robust 10.72% in 2018-19, and raced past the \$19-billion mark for the first time, a performance marked by a rebound in the U.S. market, improved show in almost all the top 25 destinations and across categories. Exports touched \$19.13 billion as against \$17.28 billion of 2017-18, the previous highest, details available with Pharmaceuticals Export Promotion Council of India show. While it fell short of the \$20-billion mark that was widely expected to be crossed, the performance was still special. Though pharma exports have done relatively better with the nearly 25% rise to \$13.30 billion in 2011-12, the circumstances under which the latest performance came were different, Pharmexcil Director General Ravi Uday Bhaskar said.

## **12. Govt, Exporters To Talk Customs Issues Today**

**Source: The Economic Times ([Link](#))**

A working group set up by the government is set to meet exporters of traditional goods such as leather, apparel, handicraft, carpets and seafood on 29 April to discuss ways to resolve customs-related bottlenecks and improve the competitiveness of Indian exports. The consultative meeting will also discuss quality and cost of services provided by intermediaries in the customs environment, like customs brokers, shipping lines, forwarders and custodians. India's merchandise exports grew 9% to \$331 billion in 2018-19, helped by higher shipment of engineering goods, pharmaceuticals, petroleum products and chemicals.