

Daily Economic News Summary: 1 May 2019
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1. Bharti Airtel's Africa Unit Reports Net Profit Of \$83 Mn For March Quarter

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

Bharti Airtel's Africa operations made a net profit of \$83 million for the quarter ended March 31. In the corresponding period a year before, it had seen a net loss of \$49 million. The profit this time was mainly on account of increase in users of its Airtel Money platform and more data consumption. It is the first time that Airtel separately announced the results for its Africa unit. There was a rise over a year of nearly 16 per cent in the quarter, the final one of financial year 2018-19, in earnings before interest tax, depreciation and amortisation (Ebitda), at \$354 million.

2. PepsiCo Row: Farmers' Body Seeks Legal Rights For Seeds Of Any Crop Variety

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

Amid the ongoing tussle between Gujarat's potato growers and PepsiCo India Holdings (PIH), a farmers' body on 30 April sought government intervention in establishing legal rights for farmers over seeds of any crop variety. The Gujarat state unit of RSS-affiliate Bharatiya Kisan Sangh (BKS) on Tuesday demanded that the government legally establish the unequivocal right of farmers over seeds, irrespective of the crop being from anywhere in the country.

3. Patanjali Ayurved's Rs 4,350-Crore Bid For Ruchi Soya Gets Lenders Nod

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

The country's leading packaged consumer goods major, Patanjali Ayurved, won the approval to take over edible oil firm Ruchi Soya on 30 April. The committee of creditors (CoC) of the debt-laden firm voted in favour of Patanjali Ayurved's Rs 4,350-crore bid. Patanjali Ayurved spokesperson S K Tijarawala said the Haridwar-based firm was now free to move forward to take over Ruchi Soya. "On Tuesday, the CoC voted in favour of us. A formal intimation is expected tomorrow (Wednesday)," he said. According to sources, around 96 per cent of the voters were in favour of Patanjali. Ruchi Soya's leading brands include Nutrela, Mahakosh, Sunrich, Ruchi Star and Ruchi Gold.

4. SBI's New Rules to Come into Effect From May 1: Key Things To Know

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

In a first-of-its-kind initiative, the nation's largest lender State Bank on 26 April announced linking of its savings deposits rates and short-term loans to an external benchmark--the repo rate of the Reserve Bank. The new rates will be effective May 1, the bank said in a statement. But the move will not benefit all its depositors as the new rate is applicable only to those with a balance of over Rs 1 lakh in their accounts.

5. US Commerce Secretary Wilbur Ross To Meet Suresh Prabhu on May 6

Source: The Hindu, Business Line ([Link](#))

US Commerce Secretary Wilbur Ross will meet Commerce Minister Suresh Prabhu on May 6 in New Delhi to discuss trade-related issues amid America's decision to withdraw export benefits to Indian exporters, sources said. Issues such as withdrawal of GSP benefits by Washington are expected to come up for the discussion. Currently, the India-US trade relations are going through a rough patch as the US has decided to withdraw export benefits to Indian exporters under the Generalized System of Preferences (GSP) programme, which is expected to impact India's exports to the US worth \$5.6 billion under this scheme. The Trump administration has alleged that India is imposing high import duties on products such as paper and Harley Davidson motorcycles from America.

6. Ind-Ra Lowers Growth Forecast For The Current Fiscal to 7.3%

Source: The Hindu, Business Line ([Link](#))

India Ratings & Research has lowered the country's growth forecast for the current fiscal to 7.3 per cent, from the earlier projection of 7.5 per cent. The agency has listed three key reasons for lowering its projection. First is the prediction of lower-than-normal monsoon for 2019 and the continued agrarian distress. Secondly, the loss of momentum in the industrial output growth, especially manufacturing and electricity, is likely to hurt growth. And, third, the slow progress in cases referred to the National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016, for resolution of the non-performing assets of the banking sector becoming a long-drawn-out process.

7. Sushma Asks U.S. for Iran Oil Import Waiver

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

External Affairs Minister Sushma Swaraj spoke with U.S. Secretary of State Mike Pompeo during the weekend and asked for a waiver for continued import of Iranian crude after the May 2 deadline imposed by the U.S. administration, a source has confirmed. “Both sides discussed issues relevant to bilateral ties including the waiver for energy from Iran,” said a source about a telephone discussion between Ms. Swaraj and Mr. Pompeo on 27 April. However, there was no indication from the U.S. official for issuing a new waiver for India. Earlier, India and Turkey had held discussion about how to avoid a breakdown in the domestic energy markets due to the sanctions.

8. IL&FS Board Seeks Punitive Action Against Deloitte, BSR

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

The government-appointed board of Infrastructure Leasing & Financial Services has proposed punitive action against Deloitte Haskins & Sells (DHS) and BSR & Co, part of the KPMG network, said people with knowledge of the matter. In its report to the Ministry of Corporate Affairs (MCA), the board said it had found the two firms failed to issue warnings about shortcomings while auditing the books of IL&FS Financial Services (IFIN), a subsidiary of IL&FS. Sources added that both the board and the MCA are of the view that action must be taken against DHS and BSR, including the possibility of invoking Section 140.

9. CEA Issues Draft Guidelines On Cross-Border Power Trade

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

The Central Electricity Authority (CEA) has framed the draft procedural guidelines for firms to participate in cross-border electricity trade, a move that could open up an annual potential market of additional 5-6 billion units of electricity. While the CEA proposes to allow Indian entities to import electricity from neighbouring countries only through bilateral agreements, export of power can now be done through spot power markets as well. The ‘draft conduct of business rules of the designated authority for facilitating the cross border trade of electricity’ clarified that plants with Coal India fuel linkage or captive mines cannot sell power outside India.

10. India-Chile Negotiate Further Expansion Of The PTA

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

India seeks more tariff concessions from Chile during talks for further expansion of the India-Chile Preferential Trade Agreement (PTA). On 30 April, officials from both countries met in New Delhi for the first round of talks for further expanding the India-Chile PTA and issues relating to trade in goods, SPS/TBT, Customs, Rules of Origin etc under the existing PTA. Also, the two countries talked about further expansion of the PTA for inclusion of more tariff lines/ increasing Margin of Preference (MoP). As Chile is the founding member of the Pacific Alliance to which India is an observer member, further expansion of the PTA is expected to strengthen relations between them and enhance India's engagement with the emerging trade bloc.