

## Daily Economic News Summary: 6 May 2019

### **1. India Sees Little Scope For Jet Airways Revival: Government Sources**

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

India's government sees little hope of a bidder emerging for debt-laden Jet Airways Ltd, two senior finance ministry officials said, even as thousands of employees plead with the government for a rescue. Parties that had initially expressed interest in Jet, which is saddled with roughly \$1.2 billion of debt, have so far failed to make firm bids to bail it out, increasing the odds that it could soon face bankruptcy proceedings. Unions have been pleading with the government to ensure the airline is rescued. Last week, in a letter to the prime minister seen by Reuters, its pilots union urged the government to intervene and speed up the bid process for the airline and stop the deregistration of its aircraft by its lessors.

### **2. Alibaba Re-Evaluates India Strategy, May Focus On Smaller Deals**

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

Alibaba Group Holding Ltd is reviewing its India investment strategy that could see the Jack Ma-led Chinese e-commerce giant take a more judicious approach by making more vertical e-commerce investments and smaller early-stage deals, three people aware of the matter said. The potential shift in strategy follows Alibaba's disappointments at some of its large e-commerce bets such as online retailers Snapdeal and Paytm Mall, which have widely lagged behind the e-commerce market dominated by Flipkart and Amazon. The Economic Times reported on 22 April that Paytm Mall's deep discounting strategy and an annual loss of ₹1,787 crore made Alibaba realize that Paytm's volumes, driven largely by cashbacks, would not make it a sustainable business.

### **3. Reliance Industries Looks To Strengthen Petrochem Business**

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

Reliance Industries (RIL) is focusing on new business-to-customer initiatives to hedge against volatility and strengthen its petrochemicals business. Under this strategy, RIL will offer end-to-end tailor-made solutions to industries to manufacture windmills, design complete railway

compartments in three years, build underground tanks with a shelf life of 25 years against the present 7-8 years, replace wood with composite material in home decor, make fire redundant fabric for curtains and design poles with composites for the telecom sector, among others.

#### **4. Budgetary Woes Put India's Supercarrier 'Ins Vishal' On Hold**

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

Global shipbuilders and analysts were abuzz on 5 May after the British media reported that New Delhi had approached London to buy the detailed blueprints for the Royal Navy's new aircraft carrier, HMS Queen Elizabeth. According to the "exclusive" report in Mirror, the plans will be used to build the Indian Navy's second indigenous aircraft carrier (IAC-2), which is called INS Vishal. In fact, INS Vishal has remained stalled since 2017, with India's ministry of defence (MoD) declining to accord financial clearance. The MoD believes the coming years' defence budgets cannot cater for the exorbitant cost of an aircraft carrier.

#### **5. GST: B2b Invoices Will Have To Be Generated On Govt Portal By Sept**

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

All invoices for business-to-business sales by entities beyond a specified turnover threshold will be generated on a centralised government portal by September, a move aimed at curbing the menace of fake invoices and evasion of GST, officials said. The revenue secretary is monitoring the progress of implementation of electronic or e-invoice project for which an officers' committee has already been set up, they added. The move will help in curbing Goods and Services Tax (GST) evasion through issue of fake invoices. Besides, it would make the returns filing process simpler for businesses as invoice data would already be captured by a centralised portal.

#### **6. London Top Choice For Indian Investors With Record Investments In 2018**

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

London emerged as the top choice for Indian investors ahead of other cities such as Dubai and Singapore, with investments by Indian companies in the British capital reaching an all-time high last year, according to a new analysis. The UK emerged as the top most country to attract Indian FDI with 52 projects, ahead of the US (51) and the UAE (32), in 2018, said London & Partners (L&P), the Mayor of London's promotional agency, in the new analysis released on 3 May. Indian companies choosing to invest and expand in London reached an all-time high last year, with 32 investment projects a giant leap from the previous year, it said.

## **7. India Warns WTO About EU's Proposal For E-Commerce Rules**

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

India has expressed apprehensions about the European Union's (EU's) proposal on 3 May to create new e-commerce rules on grounds that the high standards being proposed could decimate both the goods and services tariff rules under the World Trade Organisation (WTO), impacting its domestic industry and job creation. Addressing the informal Trade Negotiations Committee of the Heads of Delegates on 3 May, India's permanent representative at the WTO J.S. Deepak said most developing countries including India are not ready for binding rules in e-commerce. India is currently drafting a national e-commerce policy, which seeks to use India's data for its own development rather than allow its value to be appropriated by others.

## **8. Government Launching Scheme For Financial Assistance To Minority Investors For Class Action Lawsuits**

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

In a significant move, the government is readying a scheme to provide financial assistance to minority investors filing class action lawsuits under the companies law, a senior official said. Working on ways to further bolster measures to protect the interest of investors, the corporate affairs ministry would also be encouraging investors to resort to class action suits. Under Section 245 of the Companies Act, investors can file a class action suit in case they feel that the management or conduct of the affairs of a company are prejudicial to their interests. The concept of the class action suit, that provides an option for investors to seek remedy as a group, is well known in Western countries.

## **9. RBI's Second IBC List: After 20 Months, Just Three Assets Close To Resolution**

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

Of the over two dozen companies named by the Reserve Bank of India (RBI) in its second list of large non-performing assets (NPAs), only three Ruchi Soya Industries, EPC Constructions and ARGL have come close to being resolved successfully through the corporate insolvency resolution process (CIRP) since August 2017, when the list is known to have been sent to banks. The second list involved companies with a total principal outstanding of Rs 1.28 lakh crore, according to a March 2018 report by CLSA. For these three accounts, their respective committees of creditors (CoCs) have selected successful bidders Patanjali Ayurved for Ruchi Soya, Royale Partners for EPC Constructions and CarVal-Arcil for ARGL