

MARKET MOVEMENT

Major Indices	May 10, 2019	May 17, 2019	% Change	Change
BSE Sensex	37,462.99	37,930.77	1.24	↑
NSE Nifty	11,278.90	11,407.15	1.13	↑

INDIAN ECONOMY AT A GLANCE

POLICY WATCH

- Nabard announces USD 99.5 million VC fund for agri, rural startups
- Government amends rules related to incorporation of companies
- RBI releases payments systems roadmap for a 'cash-lite' India
- Government initiates steps to create special forces division
- India postpones retaliatory tariff deadline on US products to 16 June

Nabard announces USD 99.5 million VC fund for agri, rural startups

National Bank for Agriculture and Rural Development (NABARD) has announced a USD 99.5 million venture capital fund for equity investments in agriculture and rural-focused startups. Fund has been launched by Nabventures, a subsidiary of NABARD, and has a proposed corpus of USD 71.1 million with an option to retain over-subscriptions of USD 28.4 million, called as the greenshoe option.

Government amends rules related to incorporation of companies

Corporate affairs ministry has amended the rules pertaining to incorporation of companies to provide more clarity and uniformity in choosing names for the companies. Move is intended to avoid instances where applications by companies for registering their names have been rejected due to various reasons, including trademark issues and proposed names being too general.

RBI releases payments systems roadmap for a 'cash-lite' India

Payment and Settlement System in India Vision 2019-21 document published by the central bank has laid out a comprehensive roadmap of initiatives to be undertaken by all stakeholders and governing bodies to ensure the successful completion of these objectives in this time. A four-fold increase in digital payments, reduction in paper-based transactions, improved pricing, better customer grievance redressal

mechanisms and establishment of new payment system operators (PSO) are among the list of twelve objectives of Reserve Bank of India (RBI).

Government initiates steps to create special forces division

India has initiated steps to create a special forces division which is expected to be the first choice for the government to undertake any major counter-terrorism operation. Cyber warfare centre aims to look at sharpening offensive capabilities while the Space warfare centre which is expected to come up in Bengaluru will be looking at protecting India's space assets including military satellites.

India postpones retaliatory tariff deadline on US products to 16 June

Government has again extended its deadline to impose retaliatory import duties on 29 US products, including almond, walnut and pulses, till June 16. Extension comes in the backdrop of the US decision to withdraw export incentives being provided to Indian exporters under Generalised System of Preferences (GSP) programme, which is expected to impact India's exports to the US worth USD 5.6 billion under this scheme.

INDUSTRY WATCH

- Services exports rise 6.6% to USD 17.94 billion in March
- Agri, processed food exports rise 7% in FY19
- Debit card PoS swipes rise 27%
- Smartphone market grows 7% in Q1 2019
- MNC tech hubs' business grows to USD 28 billion

Services exports rise 6.6% to USD 17.94 billion in March

Services exports rose by 6.6% to USD 17.94 billion and imports grew by 10.55% to USD 11.37 billion in March. Trade balance in services for the month under review is estimated at USD 6.58 billion. Services sector accounts for over 55% in the country's GDP. Government has approved a USD 711 million package last year to promote 12 champion services sectors such as IT, tourism and hospitality.

Agri, processed food exports rise 7% in FY19

Overall agri and processed food exports rose by 7% to USD 18.19 billion in financial year 2019 from USD 17.05 billion in the 2017-18 fiscal. Dairy products saw a 72% increase to USD 480 million from USD 280 million, while pulses went up a little over 22% to USD 255 million from USD 210 million.

Debit card PoS swipes rise 27%

Debit card swipes on Point of Sales (PoS) terminals increased more than 27% to 407 million in March 2019 compared to corresponding period last year. Debit card payments for merchant transactions have gone up more than 250% between March 2019 and 2016. Credit cards registered a 22% growth rate for PoS transactions to 162 million in March 2019 compared to 127 million in March 2018.

Smartphone market grows 7% in Q1 2019

Smartphone market grew 7.1% year-on-year (YoY) with a total shipment of 32.1 million units. Sale through online channels registered 19.6% year-on-year growth in Q1 2019. Average selling prices (ASP) grew by 3.3% YoY to USD 161. Xiaomi grew highest with 8.1% growth in Q1 2019, followed by Samsung and Vivo.

MNC tech hubs' business grows to USD 28 billion

Market size in India for the MNC tech centre also known as global capability centre (GCC) has registered USD 28.3 billion in 2018-19 compared to USD 19.5 billion in 2014-15. There are over 1,250 MNCs with GCCs in India now. Japan and Singapore contributed more than 64% share of installed APAC (Asia-Pacific)-based GCCs in India.

CORPORATE HIGHLIGHTS

- **EIL signs pact for 1.5 mt refinery in Mongolia**
- **Ashok Leyland gets order for 400 mini-buses from Senegal**
- **Locus raises USD 22 million from Tiger, Falcon Edge**
- **Okinawa sets up USD 28.4 million plant in Rajasthan**
- **Hyundai ties up with ALD Automotive for car leasing business**

EIL signs pact for 1.5 mt refinery in Mongolia

Engineers India Ltd (EIL) has signed an agreement to provide project management consultancy for a new 1.5 million tonne refinery being set up in Mongolia. EIL had carried out a Detailed Feasibility Study for the project and was subsequently pre-qualified and shortlisted for providing project management consultancy services to Mongol Refinery for the project.

Ashok Leyland gets order for 400 mini-buses from Senegal

Commercial vehicle manufacturer Ashok Leyland the flagship of the Hinduja Group, has won an order from African nation Senegal to supply 400 minibuses valued 10.06 million Euros to Senbus Industries. This will help in connecting rural remote areas of Senegal to urban cities and to promote sustainable mobility.

Locus raises USD 22 million from Tiger, Falcon Edge

Locus, a logistics automation start-up, has raised USD 22 million from Tiger Global Management and Falcon Edge Capital. Locus offers a SaaS platform to delivery and logistics services companies, automating a part of the process that earlier required manual decision making. It plans to use fresh capital for expansion and hiring chiefly in the North American markets, and investment in technology.

Okinawa sets up USD 28.4 million plant in Rajasthan

Okinawa Autotech is investing USD 28.4 million to set up a second manufacturing plant in Rajasthan. Company has acquired land near Bhiwadi for the new plant, which will have a total manufacturing capacity of one million units. The first phase of the plant will be commissioned towards the beginning of 2020-21. Plant will be funded through a mix of debt and internal accruals.

Hyundai ties up with ALD Automotive for car leasing business

Hyundai Motor has tied up automotive leasing company ALD Automotive India for car-leasing venture. Leasing service, during the first phase, will be available in Delhi, NCR, Mumbai, Chennai, Hyderabad, and Bengaluru. Leased car, available across the Hyundai product line-up, comes with a monthly rental option. Benefits of leasing to the customers include no upfront cost, no financial risk, efficient tax management, easy up-gradation and no maintenance and insurance hassles.