

MARKET MOVEMENT

Major Indices	August 02, 2019	August 09, 2019	% Change	Change
BSE Sensex	37,118.22	37,581.91	1.24	↑
NSE Nifty	10,997.35	11,109.65	1.02	↑

INDIAN ECONOMY AT A GLANCE

POLICY WATCH

- Government approves sanction of 5,595 electric buses
- Lending norms, exposure limits eased for NBFCs
- Government approves Consumer Protection Bill
- CBDT raises limit for appeals to reduce litigations
- Government eases norms for re-insurers for setting up shop at IFSC

Government approves sanction of 5,595 electric buses

Government has approved 5,595 electric buses in 64 urban communities for intracity and intercity operations under the second period of FAME India scheme. Buses which fulfil required localisation level and technical eligibility advised under FAME India scheme phase II will be eligible for funding under FAME India scheme phase II.

Lending norms, exposure limits eased for NBFCs

Reserve Bank of India (RBI) has relaxed bank's exposure limits by increasing it to 20% of the Tier-I capital of the bank against the current 15% to support Non-Banking Finance Companies (NBFC) sector. RBI allowed banks on lending to Agriculture, Micro, Small & Medium Enterprises (MSME) and affordable housing to be treated as priority sector lending for banks.

Government approves Consumer Protection Bill

Parliament has passed the Consumer Protection Bill 2019 to establish authorities for timely and effective administration and settlement of consumer disputes. Also, it will strengthen rights of consumers and provide a mechanism for redressal of complaints regarding defects in goods and deficiency in services.

CBDT raises limit for appeals to reduce litigations

Central Board of Direct Taxes (CBDT) has enhanced the monetary limits for the filing of appeals by the Income Tax Department at various tribunals in order to reduce litigation. Monetary limit for an appeal before the Income Tax Appellate Tribunal has been increased to USD 70280 from USD 396 earlier.

Government eases norms for re-insurers for setting up shop at IFSC

Government has relaxed norms for setting up shops at Gandhinagar international financial services centre. Net Owned Funds (NOF) requirement for the opening of branches of foreign re-insurers in International Financial Services Center (IFSC) is reduced to USD 140 million from USD 703 million. This will attract global re-insurance companies operating in financial centres like Singapore, Dubai, Hong Kong, Malaysia, London etc. to set up branches in IFSC in India

INDUSTRY WATCH

- Smartphone market grew 5% in Q2
- Private equity inflows in realty rise 10%
- Domestic air passenger traffic up 7.9% in June
- NCLT clears consolidation of 13 Videocon units' insolvency
- New GDP series launched to align with global method

Smartphone market grew 5% in Q2

Smartphone market has increased 5% in the second quarter (Q2) of 2019. During the quarter, top five feature phone brands contributed 78% of the shipments. Smartphone market is progressively determined by affordable smartphones (USD 98.5-USD 352).

Private equity inflows in realty rise 10%

Private equity firms have invested 10% higher to USD 4.2 billion into the Indian realty market from a year ago. Office segment holds major share of 54.1% with USD 884 million from institutional investors in the second half of 2019. Retail and warehousing and logistics sectors attracted 12.1% and 7.9% share, respectively, in the 2019 second quarter fund flow.

Domestic air passenger traffic up 7.9% in June

Domestic air passenger traffic rose 7.9% in June over the year ago period. Overall global passenger traffic (domestic and international) rose by 5% compared to June 2018. International passenger demand rose 5.4% in June 2019 compared to the period year-ago. International regions growth was led by airlines in Africa with capacity increasing 3.4%, and load factor growth of 1.6% points to 83.8%, in the reporting month.

NCLT clears consolidation of 13 Videocon units' insolvency

National Company Law Tribunal gave approval for consolidating the insolvency proceedings of 13 Videocon group firms into a single process. Move is expected to help in faster processing of other bankruptcy cases involving multiple entities that are part of one corporate group. Prospective suitors will now have to submit one resolution plan for all the 13 Videocon units which will include group's consumer electronics business.

New GDP series launched to align with global method

Linked back-series of India's growth numbers from 1950-51 to 2003-04, with 2011-12 as the base year is launched to align Gross Domestic Product (GDP) numbers from past years with the new internationally accepted methodology and facilitate comparisons. For the years prior to 2004-05, the estimates were compiled by adopting the splicing method, retaining the same growth rates of aggregates as in the old series.

CORPORATE HIGHLIGHTS

- **Sterlite Power receives 2 projects worth over USD 422 million**
- **Katerra sets up USD 100 million manufacturing plant in Hyderabad**
- **Vistara signs codeshare pact with Singapore Airlines, SilkAir**
- **Adani Group sets up new company to manage airport businesses**
- **Reliance-BP signs new fuel retail JV**

Sterlite Power receives 2 projects worth over USD 422 million

Sterlite Power on Friday has received two inter-state power transmission projects worth over USD 422 million. One of the projects is the Udupi-Kasargode project which will decongest the ISTS (Inter State Transmission System) corridor and facilitate smoother power flow within Karnataka and Kerala.

Other is the GEC project of Lakadia-Vadodara (WRSS 21-Part B) in Gujarat. The project will help connect the wind energy zones of Bhuj region to the load centres of Gujarat and Maharashtra.

Katerra sets up USD 100 million manufacturing plant in Hyderabad

Katerra has announced setting up its second India off-site manufacturing plant in Hyderabad involving an investment of USD 100 million with an annual capacity to make around 10 million square feet of building material. Company has already secured 1.6 million sq ft order from a technology giant and 6 million sq ft orders were under negotiations in Hyderabad, which saw an increase in office space segment.

Vistara signs codeshare pact with Singapore Airlines, SilkAir

Vistara has announced the signing of a codeshare partnership with Singapore Airlines (SIA) and its regional arm SilkAir for international flights ahead of the launch of services on overseas routes. codeshare agreement, which is subject to regulatory approvals, will be implemented over a period of time. With this expansion, SIA will codeshare on Vistara flights to more than 20 domestic destinations.

Adani Group sets up new company to manage airport businesses

Adani Enterprises has incorporated the new company for acquiring, promoting, operating, maintaining, developing, designing, constructing, upgrading, modernising, renovating, expanding and managing airports in India and abroad. Adani Group has received 50-year contract for the operation, management, and development of airports in Ahmedabad, Lucknow, Jaipur, Guwahati, Thiruvananthapuram, and Mangalore.

Reliance-BP signs new fuel retail JV

Reliance Industries Ltd and British oil major BP Plc have formed new Joint Venture (JV) to open 5500 petrol pump outlet across the nation in 5 years. 51% stake will be held by RIL and the rest will be of BP and partnership will also market aviation turbine fuel to take into India's developing aviation industry.