

MARKET MOVEMENT

Major Indices	September 13, 2019	September 20, 2019	% Change	Change
BSE Sensex	37,384.99	38,014.62	1.68	↑
NSE Nifty	11,075.90	11,274.20	1.79	↑

INDIAN ECONOMY AT A GLANCE

POLICY WATCH

- Government announces USD 1.4 billion special window
- Government announces new tax refund scheme
- Rules for patents filed by women, patent protection abroad gets relaxation
- NCLT approves merger of Monsanto India with Bayer CropScience
- ISRO and DRDO signs MoU to provide technologies for human centric systems

Government announces USD 1.4 billion special window

Government has announced USD 1.4 billion special window to provide last-mile funding for completion of ongoing housing projects which are not Non Performing Assets (NPAs) or facing bankruptcy proceedings under NCLT. Fund shall be set up as a category II AIF Trust and would be run by experts from housing and banking sector.

Government announces new tax refund scheme

Government has announced a new scheme to refund taxes and duties on exports, easier export credit and additional funding for exporters under the revised priority sector lending norms. Scheme will come into force from January 1, 2020 and will incentivise exporters at an estimated cost of USD 7.04 billion and replace the Merchandise Exports from India Scheme (MEIS). There would be a fully automated electronic refund route for input tax credits in GST for quick refunds.

Rules for patents filed by women, patent protection abroad gets relaxation

Rules for patents filed by small entities, women and government entities, and incentivised Indian companies who apply for patents abroad are simplified. Department has also incentivised Indian companies to file patents abroad. It has waived the fee required to be paid for electronic international application under the Patent Cooperation Treaty and the transmission through the World Intellectual Property Organisation.

NCLT approves merger of Monsanto India with Bayer CropScience

National Company Law Tribunal (NCLT) has approved the merger of biotech company **Monsanto India Ltd** with Bayer CropScience. In June 2018, German chemical and pharma major Bayer AG had announced completion of the USD 63 billion mega-deal to acquire US-based biotech major Monsanto to create the world's biggest agro-chemical and seed company.

ISRO and DRDO signs MoU to provide technologies for human centric systems

Indian Space Research Organisation (ISRO) has signed **Memorandum of Understanding (MOU)** with **Defence Research and Development Organisation (DRDO)** for development of human centric systems for the Human Space Mission to demonstrate its human space flight capabilities. Technological capabilities existing in DRDO laboratories will be customised to meet the requirements of the human space mission which include space food, space crew health monitoring and emergency survival kit, radiation measurement and protection, parachutes for safe recovery of crew module and others.

INDUSTRY WATCH

- **5% import duty removed on open cell TV panel**
- **Domestic aviation industry grows 3.87% in August**
- **Number of workers grew 4.8% to 12.2 million in FY18**
- **Factory output grows 4.3% in July**
- **Corporate tax rates reduced to 22% for domestic companies**

5% import duty removed on open cell TV panel

Government has removed 5% custom duty imposed on import of open cell TV panel, which are used in the manufacturing of LED TVs. Move would also help in domestic manufacturing and decrease in price of TV panel by around 3%. Custom duty on import of Chip on Film, Printed Circuit Board Assembly (PCBA) and Cell (glass board/ substrate) is also removed.

Domestic aviation industry grows 3.87% in August

Airlines registered a growth of 3.87% year-on-year from 11.35 million passengers flown in August 2018 to 11.79 million passengers flown in August 2019. Seat occupancy was led by Spicejet followed by 92.4% Air Asia 87.8%, Goair 87.5%, Indigo 84.3%, Vistara 81.8% and Air India 80.9%. 85% Go air flights operated on time followed by Air Asia 82.7%, Indigo 80.3%, Vistara 78.4% and Spicejet 70.8%.

Number of workers grew 4.8% to 12.2 million in FY18

Gross fixed capital formation (GFCF), as measured by the survey was USD 46.63 billion in 2017-18, compared to USD 51.98 billion in 2016-17. While there was a 1.2% rise in the number of factories in

2017-18, the number of workers rose 4.8% to 12.2 million from 11.6 million in 2016-17. Total wages provided to factory workers rose to USD 27.04 billion from USD 24.37 billion in the previous fiscal.

Factory output grows 4.3% in July

Index of Industrial Production (IIP) rose 4.3% in July. Manufacturing, which has the highest weight of 77.6% in the IIP, reported 4.2% growth in July. Mining output rose 4.9% in July while electricity generation increased 4.8%. Production of consumer non-durables rose 8.3% in July. 13 out of 23 industry groups reported positive growth.

Corporate tax rates reduced to 22% for domestic companies

A new provision has been inserted in the Income-tax Act with effect from FY 2019-20 which allows any domestic company an option to pay income-tax at the rate of 22% subject to condition that they will not avail any exemption/incentive. Effective tax rate for these companies shall be 25.17% inclusive of surcharge & cess. Also, such companies shall not be required to pay Minimum Alternate Tax. To support companies which continue to avail exemptions/incentives, the rate of Minimum Alternate Tax has been reduced from existing 18.5% to 15%.

CORPORATE HIGHLIGHTS

- **DeHaat ties up with Coca Cola to work with litchi farmers**
- **Hero Cycles has tied up with Yamaha Motor to launch 'Lectro E-Cycle' in Bengaluru**
- **Aichi Steel collaborates with Ludhiana's Vardhman Steel to access automotive sector**
- **Capillary Technologies signs JV with Saudi-Based Veda Holding**
- **Tata Motors partners location tech provider what3words for navigation services**

DeHaat ties up with Coca Cola to work with litchi farmers

DeHaat has signed a Memorandum of Understanding (MOU) with Coca Cola India to work with over 50,000 litchi growers in east India. With this venture growers will be provided with complete end to end support right from setting demo orchards to rejuvenating existing orchards and creating transparent supply chain for the fruit. Also, to bring transparency in the value chain which will help them connect between farmers and buyers and it plans to GeoTag the orchards.

Hero Cycles has tied up with Yamaha Motor to launch 'Lectro E-Cycle' in Bengaluru

Hero Cycles has tied up with Japan's Yamaha Motor Co., Ltd to launch 'Lectro E-Cycle' in Bengaluru. Lectro EHX20 is the first branded E-Cycle which is driven by a Center Motor. This gives it a superior edge and a high-performance experience suitable for extreme adventure sports. Motor was imported from Yamaha's electric drive unit and the E-Cycle was manufactured at Hero Cycles' Ghaziabad unit.

Aichi Steel collaborates with Ludhiana's Vardhman Steel to access automotive sector

Aichi Steel has collaborated with Vardhman Special Steels to introduce cutting edge technology in Punjab besides improving quality of its products, reducing operational cost and bring process efficiencies. It will further promote export, employment and steel manufacturing potential in the state.

Capillary Technologies signs JV with Saudi-Based Veda Holding

SaaS based product company Capillary Technologies signed a joint venture with Saudi Arabia-based Veda Holding to form an entity 'Capillary Arabia'. Capillary makes customer relationship management and AI tools to manage customer engagement in different sectors. Venture will allow Capillary Technologies access to Saudi's retail, food and beverage and manufacturing sector, and the ability to provide support to customers.

Tata Motors partners location tech provider what3words for navigation services

Tata Motors has tied up with location technology provider what3words for navigation services in its cars. Partnership will enable drivers to enter a three-word address by voice or text input and then navigate to that address. Technology provider has taken the entire world, divided it into 3mx3m squares, and assigned each square a unique identifier - made of three random words. what3words system is available in 36 languages, including Hindi, Bengali, Tamil, Telugu and Marathi.