

## MARKET MOVEMENT

Major Indices	January 31, 2020	February 07, 2020	% Change	Change
BSE Sensex	40,292.88	41,141.85	2.10	↑
NSE Nifty	11,835.50	12,098.35	2.22	↑

## INDIAN ECONOMY AT A GLANCE

### POLICY WATCH

- Government increases Digital India Program fund by 23%
- Cabinet gives in-principle approval for setting up a new Major Port
- Cabinet approves dispensation to Alliance Air for flights between India & Sri Lanka
- AIM collaborates with Ministries to stimulate Innovation
- CCI approves proposed combination between YRIPL and DIL

#### Government increases Digital India Program fund by 23%

Government has increased the outlay for digital India programme by 23% to USD 556.2 million for 2020-21 compared to the actual allocation in the current fiscal. Fund will be utilized on R&D activity in Electronics, nano and microelectronics including semiconductor integrated circuit layout design registry, medical electronics and health informatics, innovation promotion and start-ups, high performance computing including National Supercomputing Mission, open source etc.

#### Cabinet gives in-principle approval for setting up a new Major Port

Union Cabinet has given its 'in-principle' approval for setting up a Major Port at Vadhavan near Dahanu in Maharashtra. Total cost of the project is likely to be USD 9.21 billion. A Special Purpose Vehicle (SPV) will be formed with Jawaharlal Nehru Port Trust (JNPT) with 50% equity to implement the project. Development of Vadhavan port will enable call of container vessels of 16,000 - 25,000 TEUs (Twenty-Foot Equivalent Unit) capacity, giving advantages of economies of scale & reducing logistics cost.

#### Cabinet approves dispensation to Alliance Air for flights between India & Sri Lanka

A special dispensation is allowed for the interim period till M/s. Alliance Air deploys minimum of 20 Aircraft or 20% of total capacity, whichever is higher to expand people to people contacts between the two countries. Prior to this approval there was no commercial operation scheduled from Palaly and Batticaloa airports.

### **AIM collaborates with Ministries to stimulate Innovation**

Atal Innovation Mission, NITI Aayog (AIM) collaborated with Ministries and started a series of **innovation demo** days where start-ups, Micro, Small and Medium Enterprises (MSMEs), entrepreneurs, corporate partners and sector academics are brought together for a showcase of Government-funded innovations. Initiatives will help to take the technologies from lab to market, building a collaborative ecosystem. Processing has to be increased in the country which presently is at an average 10% compared to 50% in other countries.

### **CCI approves proposed combination between YRIPL and DIL**

Competition Commission of India (CCI) approves the proposed combination between **Yum Restaurants** (India) Private Limited (YRIPL) and Devyani International Limited (DIL) involving acquisition of certain equity shareholding and sale of certain KFC restaurants. YRIPL is a private limited company incorporated in India and is a part of Yum-Brands, Inc, USA. DIL is a public company incorporated in India and as a franchisee of YRIPL, it runs, maintains and operates KFC and Pizza Hut/Pizza Hut Delivery restaurants in certain territories of India.

## **INDUSTRY WATCH**

- **7591.99 MW of Renewable Energy commissioned in 2019-20**
- **39 Mega Food Parks and 298 Integrated Cold Chain Projects sanctioned under PMKSY**
- **7.3 million candidates trained under PMKVY**
- **India raises import tax on crude palm oil to 44%**
- **Customs duty on imported wall fans, tableware, kitchenware raise imports increase 7%**

### **7591.99 MW of Renewable Energy commissioned in 2019-20**

Renewable Energy (RE) of the capacity of 7,591.99 MW has been commissioned in the year 2019-20 (up to Dec 2019). Another 34,160 MW RE capacity is under various stages of implementation. Most of the grid connected renewable energy projects are being implemented by the private sector developers. An investment of USD 5.29 billion is estimated to have been made in the year 2019-20 up to December 2019.

### **39 Mega Food Parks and 298 Integrated Cold Chain Projects sanctioned under PMKSY**

Ministry of Food Processing Industries (MoFPI) has sanctioned **39 Mega Food Parks and 298 Integrated Cold Chain** Projects for seamless transfer of perishables from production to consumption areas, through the Pradhan Mantri Kisan Sampada Yojana (PMKSY), which comprises of component schemes namely -Integrated Cold Chain and Value Addition Infrastructure, Mega Food Park, Creation of Backward & Forward Linkages, Creation/ Expansion of Food Processing and Preservation Capacities, Agro Processing Clusters and Operation Greens.

### **7.3 million candidates trained under PMKVY**

**Under Pradhan Mantri Kaushal Vikas Yojana (PMKVY) 2016-20, around 7.3 million candidates comprising 4 million Short Term Training (STT) and 3.3 million Recognition of Prior Learning (RPL) are trained.** Highest candidates are trained in Uttar Pradesh around 1.06 million, followed by Maharashtra 0.73 million candidates, Rajasthan 0.64 million candidates and Madhya Pradesh 4.95 million.

### **Customs duty on imported wall fans, tableware, kitchenware raised**

**Customs duty on wall fans increased from 7.5% to 20%, while the same on tableware/kitchenware made of porcelain or China ceramic, clay iron, steel and copper has been doubled to 20%.** Customs duty on catalytic converters, parts of commercial vehicles, other than electric vehicles, have also been increased. Anti-dumping duty on purified terephthalic acid (PTA), which is used in production of high-performance multipurpose plastic is removed.

### **India raises import tax on crude palm oil to 44%**

**India has raised import tax on crude palm oil to 44% from 37.5%. However, if it is imported under Association of Southeast Asian Nations (ASEAN) agreement, the concessional duty rate of 37.5% would be applicable.** India primarily imports palm oil from Indonesia and Malaysia, which are members of the ASEAN group. Palm oil accounts for nearly two-thirds of India's edible oil imports of around 15 million tonnes.

## **CORPORATE HIGHLIGHTS**

- **TCS gets USD 1.5 billion contract from US drug firm Walgreens Boots Alliance**
- **IOC acquires stake in Israeli battery developer Phinergy**
- **GMR signs pact to run Bidar airport in Karnataka**
- **IOCL signs contract with Rosneft**
- **Emami group enters binding agreement with Nuvoco Vistas**

### **TCS gets USD 1.5 billion contract from US drug firm Walgreens Boots Alliance**

**Tata Consultancy Services (TCS) has received a contract worth USD 1.5 billion from pharma company Walgreens Boots Alliance (WBA) for a period of 10 years.** As per the contract, TCS will be responsible in providing managed services including application maintenance and support, required infrastructure and security operations. WBA global IT team will focus on leading and supporting strategic technology projects that create customer value through the development of new digital products and services on its business platforms.

### **IOC acquires stake in Israeli battery developer Phinergy**

**Indian Oil Corporation (IOC) has acquired a minority stake in Israeli battery developer Phinergy Ltd for developing** ultra lightweight metal-air batteries that can be used in Electric Vehicles (EVs). IOC and Phinergy will form a Joint Venture (JV) in India to collaborate in developing aluminium-air battery systems including research & development, customisation, manufacturing, assembly, sell and service of aluminium-air energy systems technology.

### **GMR signs pact to run Bidar airport in Karnataka**

**GMR Hyderabad International Airport Ltd. (GHIAL) has signed a concession agreement to commission, operationalize** and maintain the Civilian Enclave at Bidar Airport in North Karnataka. GHIAL is expected to start the airport operations in the first week of February 2020. Bidar is also renowned for Bidriware metal handicraft products which have been recognized with the coveted Geographical Indication (GI) tag.

### **IOCL signs contract with Rosneft**

**Indian Oil Corporation Limited (IOCL) has signed a contract with Russia's Rosneft Oil Company for importing two** million tonnes per annum of Russian crude oil. This is the first time a state-owned firm has signed a term import deal with Russia as they look to diversify sourcing of oil beyond their traditional suppliers in the Middle East. State-run firms have started importing significant volumes from the United States as well as part of this strategy.

### **Emami group enters binding agreement with Nuvoco Vistas**

**Emami Group has entered into a binding agreement with Nuvoco Vistas Corporation Limited (part of Nirma Group),** for divestment of its 100% equity stake in Emami Cement Limited (Emami Cement) for an enterprise value of USD 772 million. Emami operates an integrated cement plant and three grinding units with total cement grinding capacity of around 8.3 million tonnes.