



MARKET MOVEMENT

Major Indices	August 19, 2017	August 25, 2017	% Change	Change
BSE Sensex	31,524.68	31,596.06	0.22	
NSE Nifty	9,837.40	9,857.05	0.19	

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- **TRAI signs agreement with MCMC**
- **Government approves plan to merge state-run Banks**
- **Government extends Bhim cash back scheme for merchants**
- **Government imposes anti-dumping duty on tempered glass from china**
- **Government approves “Pradhan Mantri Kisan Sampada Yojana” scheme**

TRAI signs agreement with MCMC

Telecom Regulatory Authority of India (‘TRAI’) has signed a Letter of Intent (‘LoI’) with Malaysian Communications and Multimedia Commission (‘MCMC’) to expand bilateral cooperation in telecom and broadcasting regulation. Agreement will facilitate exchange of information and regulatory best practices in the fields of broadcasting and telecommunications, including new and emerging areas. Both countries will also undertake joint capacity building exercises in telecom and broadcasting regulation.

Government approves plan to merge state-run Banks

Government has decided to set up an Alternative Mechanism to manage the proposals for consolidation of Public Sector Banks (‘PSBs’). It will create strong and competitive banks in public sector space to meet the credit needs of the growing economy, absorb shocks and have the capacity to raise resources without depending on the state exchequer.

Government extends Bhim cash back scheme for merchants

Government has extended a cash back scheme that offers incentives to merchants for accepting payments through Bharat Interface for Money (‘BHIM’) application till March 2018. App users can make transaction by using Unified Payments Interface (UPI) address, Indian Financial System Code (IFSC) and bank account of the recipient and by scanning Quick Response Code (QR code) that can be generated in the app itself.

Government imposes anti-dumping duty on tempered glass from China

Government has imposed anti-dumping duty on tempered glass, used mostly to protect touchscreen mobile devices, from China for 5 years to protect the domestic industry from below cost imports. The duty, ranging between USD 2.85 and USD 136.21 per tonne, has been levied on textured toughened (tempered) coated and uncoated glass.

Government approves “Pradhan Mantri Kisan Sampada Yojana” scheme

Government has approved renaming of the new Central Sector Scheme - SAMPADA Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters as Pradhan Mantri Kisan Sampada Yojana (PMKSY) for the period of 2016-20. USD 923 billion is allocated for the scheme. PMKSY is expected to leverage investment of USD 4.9 billion and handling of 33.4 million MT of agro produce.

INDUSTRY WATCH

- **Microfinance loans increases 26%**
- **4G smartphones demand grows 6.7%**
- **FOFs, ETs reaches at USD 2.6 billion**
- **FDI increases 37% to USD 10.4 billion**
- **USD 6.46 billion tax collection in first filing under GST**

Microfinance loans increases 26%

Non-Banking Finance Companies-Microfinance Institutions (NBFCs-MFIs) have registered 26% growth Year-on-Year (‘y-o-y’) in the first quarter (‘Q1’) of Financial Year 2017-18. Size of the microfinance industry stood at USD 16.43 billion in Q1 Financial Year 2018. NBFC-MFIs' share in the micro credit business is 31% with loan portfolio of USD 5.04 billion and banks have become largest provider of micro-credit with a loan outstanding of USD 5.92 billion and 36% share.

4G smartphones demand grows 6.7%

4G smartphone sales have increased 6.7% to 366.2 million units in April-June 2017 as compared to year-ago period. Increasing smartphone penetration in India, Indonesia and Southeast Asian countries have increased sales in Asia Pacific with shipment of over 78 million units. Samsung led the tally with 22.5% market share, followed by Apple 12.1%, Huawei 9.8%, Oppo 7.1% and vivo 6.6% in the second quarter of 2017.

FOFs, ETs reaches at USD 2.6 billion

Focussed Offshore Funds (‘FOFs’) and Exchange-Traded Funds (‘ETFs’) have continued to receive huge flows during April-June 2017 (Q1), with inflows of USD 2.6 billion, higher than the USD 2 billion received in the previous quarter. Total assets of the 10 largest India-focused offshore funds and ETFs has grown by 7.5% to USD 27.3 billion. Two Japan-domiciled funds recorded USD 1.2 billion of the inflows. Combined assets are grown by 10.2 % to USD 55.2 billion in Q1.

FDI grows 37% to USD 10.4 billion

Foreign Direct Investments ('FDIs') have increased by 37% to USD 10.4 billion during the **April-June 2017**. **Main sectors** which attracted the highest foreign inflows include services, telecom, trading, computer hardware and software and automobile. FDI equity inflow in manufacturing sector has grown by 31% to USD 4.19 billion during April-June this fiscal. Foreign inflows are increased by 64 % to USD 110.12 billion from USD 67.26 billion in the same period last year.

USD 6.46 billion tax collection in first filing under GST

Government has collected USD 6.46 billion taxes in first monthly filing under the new Goods and Services Tax ('GST'). About USD 2.3 billion has come in as Integrated-GST, which is levied on inter-state movement of goods and another USD 769 million by way of cess on demerit goods like cars and tobacco. Remaining USD 3.38 billion has come in as Central-GST and state GST.

CORPORATE HIGHLIGHTS

- **Miniso sets up shop in India**
- **Aurobindo Pharma gets USFDA approval for anti-HIV drug**
- **Rosneft completes acquisition of Essar Oil**
- **ONGC board approves HPCL takeover**
- **RIL becomes biggest importer of US ethane**

Miniso sets up shop in India

Japan-based low-cost retail chain Miniso has opened first Miniso Shop in India. Miniso shop is expecting to earn USD 1.53 billion in revenue over the next two years. Founded in 2013, Miniso positions itself as a lifestyle brand and sells products in 12 categories including health, beauty, stationery, gift items, creative homeware, boutique package decoration and digital accessories at a starting price of 150.

Aurobindo Pharma gets USFDA approval for anti-HIV drug

Aurobindo Pharma has received tentative approval from the US Food and Drug Administration ('USFDA') under the US President's Emergency Plan for AIDS Relief ('PEPFAR') for its new drug application for dolutegravir, lamivudine and tenofovir disoproxil fumarate tablets in strength of 50mg/ 300mg/ 300mg.

Rosneft complete acquisitions of Essar Oil

Rosneft and its partners have completed the acquisition of Essar Oil for USD 12.9-billion, with the plans of holding a larger share of the fuel retail market in India and significantly better financial performance. After the acquisition of 49.13% stake by Rosneft and another 49.13% by Trafigura and UCP Investment Group, the new owners of Essar Oil focus on scaling up the petrol pump network to 6,000 outlets in India from existing 3,500.

ONGC board approves HPCL takeover

Oil and Natural Gas Corporation ('ONGC') has given 'in-principle' approval to acquire Government's 51.11 % stake in Hindustan Petroleum Corp Ltd ('HPCL'). Prior to the merger, HPCL planned to take over Mangalore Refinery and Petrochemicals Ltd ('MRPL') to bring all the refining assets of ONGC under one unit. ONGC currently has 71.63% of MRPL while HPCL has 16.96% stake in it.

RIL becomes biggest importer of US ethane

Reliance Industries Limited ('RIL') has become the biggest importer of ethane from the US in 2017, a development that follows the commissioning of the firm's ethane gas project at its Dahej manufacturing facility earlier this year. RIL will ship around 1.6 million tonnes per annum of ethane from the US for its cracker portfolio in India. During January-May 2017, RIL has imported 416 kiloton (KT) of ethane.