

MARKET MOVEMENT

Major Indices	January 25, 2019	February 01, 2019	% Change	Change
BSE Sensex	36,025.54	36,469.43	1.23	↑
NSE Nifty	10,780.55	10,893.65	1.04	↑

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- Government forms GST appellate tribunal for dispute resolution
- India signs protocol to revive tobacco leaves export to China
- Cabinet cleared Ganga Expressway between Meerut and Prayagraj
- French Development Agency, DEA sign credit facility framework agreement
- Government announces hike in research fellowship

Government approval mandated for producing from oilfields with extended reservoir

Government has restricted oil and gas production from fields whose reservoirs extend beyond the contract area unless the operator takes prior approval, a significant change in rules to prevent disputes like the one between Reliance Industries and ONGC over output from a reservoir that straddled both companies' areas. Model Revenue Sharing Contract (MRSC) is amended to insert two key points on reservoirs extending beyond contract areas.

India signs protocol to revive tobacco leaves export to China

India has signed a protocol to revive the export of tobacco leaves to Beijing. The first such agreement was signed in 2008. Revival of the phytosanitary protocol with China will pave the way for revival of Indian tobacco exports to China and prove economically beneficial to Indian farmers. India has also sought faster market access for other products like okra, soya bean, bovine meat and dairy products.

Cabinet cleared Ganga Expressway between Meerut and Prayagraj

Cabinet cleared 600-km Ganga Expressway which will be built at a cost of USD 5.03 billion on a stretch of 6,556 hectares of land. Ganga Expressway will weave through Meerut-Amroha-Bulandshahr-Budaun-Shahjahanpur-Kannauj-Unnao-Rae Bareli-Pratapgarh and end at Prayagraj.

French Development Agency, DEA sign credit facility framework agreement

Department of Economic Affairs and the French Development Agency has signed a credit facility framework agreement for extending bilateral funding to the tune of USD 280 million towards the Pune Metro Project. Estimated project cost is USD 1.6 billion, of which the loan component is USD 816 million. Loan component is to be funded by the European Investment Bank and the AFD (Agence Française de Développement).

Government announces hike in research fellowship

Government has enhanced the fellowship of Ph.D students and other research personnel enrolled in any area of science and technology, including Physical and Chemical Sciences, Engineering, Mathematical Sciences, Agricultural Sciences, Life Sciences, Pharmacy etc. Fellowship of the Junior Research Fellows in the first two years of Ph.D programme is increased from the current rate of USD 350 to USD 435 per month. Similarly, in the remaining tenure of Ph.D, Senior Research Fellow will get USD 490 per month instead of the present USD 392 per month.

INDUSTRY WATCH

- **Government lowers import duty on components for electric vehicles**
- **FDI grew 18% in FY18 to USD 395.32 billion**
- **Agreements signed for Direct Sourcing of Handloom Products**
- **90% of car purchases in India are digitally driven**
- **Anti-dumping duty imposed on Chinese chemical import**

Government lowers import duty on components for electric vehicles

Government has lowered customs duty on import of parts and components of such vehicles to 10 to 15%. Until now, vehicle parts and components imported for assembly in India attracted import duty of 15 to 30%. Import of battery packs for electric vehicles will attract 5% tax. Customs duty on battery packs for mobile phone has been doubled to 20%.

FDI grew 18% in FY18 to USD 395.32 billion

Foreign direct investment (FDI) during the previous fiscal grew 18% to USD 395.32 billion. Mauritius continued to be the largest source of FDI in India (19.7%) followed by the US, the UK, Singapore and Japan. Overseas direct investment (ODI) by Indian companies increased by 5% to USD 74 billion. Singapore (17.5%) was the major destination for ODI, followed by the Netherlands, Mauritius and the US.

Agreements signed for Direct Sourcing of Handloom Products

Government of India and industry players have entered into agreements whereby the Government will link textile companies and handloom clusters, enabling the textile firms to directly source their requirements for handlooms from handloom clusters. Under the agreements, the Weavers Service Centres (WSCs) under the Office of DC (Handlooms) will enable textile firms to directly source their requirements from handloom clusters, as per defined quality, cost and time constraints.

90% of car purchases in India are digitally driven

Digital media is playing an increasingly important role in determining purchase decisions of car buyers. Also, as consumer behaviour has been evolving, the number of visits to brick-and-mortar dealerships have dropped. Consumers are increasingly researching online before purchasing a vehicle, even in smaller cities and towns. Convenience, prices, easy access can drive online purchase intent.

Anti-dumping duty imposed on Chinese chemical import

Government has imposed an anti-dumping duty on a chemical from China, used in photography and manufacturing of dyes, for five years to protect domestic producers of the chemical intermediate from cheap shipments. Anti-dumping duty on Meta Phenylenediamine (MPDA) imported from China will be in the range USD 573.92-USD 1,015.44 a tonne.

CORPORATE HIGHLIGHTS

- **XSEED Education acquires Chennai based EdTech startup Report Bee**
- **Roots Ventures invests in Supa Star Foods**
- **Investcorp acquires IDFC's private equity, realty investment management business**
- **Tata Steel subsidiary signs pacts with China's HBIS Group**
- **Dr Reddy's gets USFDA nod for 'Tosymra' migraine nasal spray**

XSEED Education acquires Chennai based EdTech startup Report Bee

Xseed Education Pte Ltd, a Singapore-based education company has acquired Report Bee, a Chennai-based education technology firm focused on assessment analytics and reporting in K-12 schools for an undisclosed valuation. XSEED operates across eight countries and acquisition will help the company expand its offerings in schools across India and abroad. Report Bee has been used by close to 1000 schools.

Roots Ventures invests in Supa Star Foods

Roots Ventures has made its second investment in Supa Star Foods Pvt. Ltd. Supa Star will use the funds to grow its distribution network and add more products and size of the investment was not disclosed. Supa is catering to the growing demand for healthy and natural products. It was launched with its first brand SupaCorn in May 2015 and since then has expanded its distribution network throughout India.

Investcorp acquires IDFC's private equity, realty investment management business

Investcorp has acquired IDFC Group's private equity and real estate investment management business and plans to incrementally raise USD 50 million towards IDFC's existing fourth fund. Incremental capital, along with the uninvested pool in the fourth fund, will be invested in consumption-driven companies in India. Incremental capital, along with the dry powder (uninvested sum) of the fund, will give them a sizeable pool to invest in the next 24 months.

Tata Steel subsidiary signs pacts with China's HBIS Group

Tata Steel's subsidiary, T.S. Global Holdings Pte Ltd (TSGH), has signed definitive agreements with China's HBIS Group to divest a majority stake in its South East Asia (SEA) business. As per the agreements, divestment will be made to a company in which 70% equity shares will be held by HBIS and 30% by the TSGH. HBIS is a leading player in China's home appliance, automotive steel and supplies steel for nuclear power, marine engineering, bridges and construction with revenue in excess of USD 40 billion.

Dr Reddy's gets USFDA nod for 'Tosymra' migraine nasal spray

Dr Reddy's Laboratories Ltd has given approval by US Food and Drug Administration for 'Tosymra' spray to treat acute migraine with or without aura in adults. Tosymra nasal spray, is formulated using a proprietary novel excipient known as Intravail to achieve blood levels similar to a 4-mg sumatriptan subcutaneous injection, resulting in rapid onset of action.