

MARKET MOVEMENT

Major Indices	May 22, 2020	May 29, 2020	% Change	Change
BSE Sensex	30,672.59	32,424.10	5.71	↑
NSE Nifty	9,039.25	9,580.30	5.98	↑

INDIAN ECONOMY AT A GLANCE

POLICY WATCH

- **Uttar Pradesh Government signs MOUs with industry bodies**
- **RBI relaxes rules for withdrawal from CSF**
- **Karnataka allows factories to extend working hours**
- **NABARD sanctions USD 139 million credit support to West Bengal**
- **ADB signs USD 177 million loan agreement for road improvements in Maharashtra**

Uttar Pradesh Government signs MOUs with industry bodies

Uttar Pradesh Government has signed initial agreements with various industry bodies to help in providing 1.1 million jobs to migrant labourers who have returned to the state in the wake of the coronavirus pandemic. Federation of Indian Chamber of Commerce and Industry (FICCI) and Indian Industries Association (IIA) accounted for 300,000 jobs each, while NARDECO and Laghu Udyog Bharati accounted for 250,000 jobs each.

RBI relaxes rules for withdrawal from CSF

The Reserve Bank of India (RBI) has eased the rules governing withdrawal from the Consolidated Sinking Fund resulting in release of additional USD 1.76 billion to them. State governments maintain a Consolidated Sinking Fund (CSF) with RBI as a buffer for repayment of their liabilities. This will enable states to meet a larger proportion of their redemption of market borrowings due in the current financial year from CSF.

Karnataka allows factories to extend working hours

Karnataka Government has issued a notification allowing factories to extend working hours up to 10 hours a day and 60 hours a week till August 21. The extension of work hours is from the current

eight hours a day and 48 hours a week. Also, deliberations were taking place regarding increasing overtime in factories from 75 hours per quarter to 100 hours. It will benefit industries whose operations were affected due to COVID-19 lockdown.

NABARD sanctions USD 139 million credit support to West Bengal

National Bank for Agriculture and Rural Development (NABARD) has sanctioned credit of **USD 139 million** in the current fiscal so far to West Bengal for the benefit of farmers and poor people in rural areas. Credit support under Special Liquidity Facility (SLF) will be extended to state cooperative banks, regional rural banks and Micro-Finance Institutions (MFIs)

ADB signs USD 177 million loan agreement for road improvements in Maharashtra

Asian Development Bank (ADB) has signed **USD 177 million loan agreement with Government of India to upgrade** 450 kilometer (km) of state highways and major district roads in the state of Maharashtra. Project will improve connectivity between rural areas and urban centers in the state enabling rural communities to better access markets, employment opportunities and services. Improved mobility will expand development and livelihood opportunities outside of the state's major urban centers to second-tier cities and towns.

INDUSTRY WATCH

- **Tamil Nadu Government signs 17 MoUs worth USD 198.5 million**
- **FDI grows 13% to record USD 49.98 billion in 2019-20**
- **PFC signs MoU with NBPCL to fund 225 MW hydro-electric & Multipurpose projects**
- **India receives highest FDI worth USD 14.67 billion from Singapore in FY20**
- **Assam exports 182 mt fruits & vegetables**

Tamil Nadu Government signs 17 MoUs worth USD 198.5 million

Tamil Nadu Government has signed Memorandums of Understanding (MoUs) with 17 foreign investors worth USD 198.5 million. Finland-based Salcomp will invest USD 172 million for an expansion project. Indo-UK joint initiative will invest USD 397 million for a 750 MW natural gas based power plant at Tiruvallur district's Ponneri. Japanese firm Polymatech Electronics shall make an investment of USD 119 million for a semiconductor chip manufacturing project.

FDI grows 13% to record USD 49.98 billion in 2019-20

Foreign Direct Investment (FDI rose 13% to a record USD 49.98 billion in FY20 from USD 44.36 billion a year earlier. FDI inflows were USD 13.2 billion in the quarter ended March. Service sector got FDI worth USD 7.85 billion while investments in computer software and hardware were USD 7.67 billion, and in trading were USD 4.57 billion. Telecommunications got FDI worth USD 4.44 billion in FY20, and hotel & tourism attracted USD 2.93 billion of foreign inflows.

PFC signs MoU with NBPCL to fund 225 MW hydro-electric & Multipurpose projects

Power Finance Corporation (PFC) has entered into an agreement with Narmada Basin Projects Company Ltd. (NBPCL) to fund projects worth USD 3.12 billion for 225 MW hydro-electric projects & 12 major multipurpose projects in Madhya Pradesh. Major multipurpose projects that will be financed are Basaniya Multipurpose Project Dindori, Chinki Boras Multipurpose Project Narsinghpur Raisen Hoshangabad, Sakkar Pench Link Narsinghpur Chhindwara, Dudhi Project Chhindwara Hoshangabad, etc.

India receives highest FDI worth USD 14.67 billion from Singapore in FY20

Singapore was the top source of Foreign Direct Investment (FDI) in India with USD 14.67 billion FDI followed by USD 8.24 billion from Mauritius. In 2018-19, Singapore's FDI aggregated at USD 16.22 billion, while that from Mauritius it was USD 8.08 billion. Significant measures like ease of business policies, simplified tax regime and large number of private investors etc has helped Singapore succeed over Mauritius these years.

Assam exports 182 mt fruits & vegetables

Assam has exported 182 metric tonnes (mt) of vegetables and fruits to different countries. State's farmers' produce had been exported to markets of Dubai, Abu Dhabi, London, Hong Kong, Singapore etc. Also, major steps are being taken to export state's agricultural products by steamers from Pandu port in the city to Bay of Bengal through the Brahmaputra at the initiative of Industries Department.

CORPORATE HIGHLIGHTS

- **Pioneering Ventures acquires Lateral Praxis**
- **Hoi Foods raises USD 2 million in Pre-Series A funding**
- **Adani Power gets nod to set up 1,320 MW plant**
- **Ola Electric acquires Etergo BV**
- **Euler Motors raises USD 284 million as part of Series A Funding**

Pioneering Ventures acquires Lateral Praxis

Pioneering Ventures, Switzerland-based agri-food investment firm, has acquired Lateral Praxis, an Indian agri-tech company. Acquisition will help enhance the firm's downstream reach of tech-enabled solutions for food supply chain including information access, apps, data analytics and risk mitigation. Pioneering Ventures is a food, finance and technology platform company and has been making investment in Indian food ecosystem to provide people healthy food in a sustainable manner.

Hoi Foods raises USD 2 million in Pre-Series A funding

Hoi Foods, cloud kitchen start-up, has raised USD 2 million in its pre-Series A funding round. The fundraising was led by 1Crowd, an equity crowd funding platform, and other start-ups. Firm plans to utilise these funds in order to strengthen and expand the existing network of cloud kitchens across India, enhance its tech platform and strengthen supply chain.

Adani Power gets nod to set up 1,320 MW plant

Madhya Pradesh Electricity Regulatory Commission has approved setting up of a 1,320 MW thermal power plant in Madhya Pradesh by Adani power. The commission has also approved sale of entire electricity from the plant to the state through Adani Power arm Pench Thermal Energy. Power would be supplied from the new power station of 1,320 MW capacity to be set up with super critical technology on Design, Build, Finance, Own and Operate (DBFOO) basis.

Ola Electric acquires Etergo BV

Ola Electric Mobility Pvt Ltd, the electric vehicle arm of Ola, has acquired Amsterdam-based Etergo BV, manufacturer of electric scooters. Etergo was founded in 2014 and has developed an all-electric state-of-the-art 'AppScooter', first launched in 2018. The AppScooter utilises swappable high energy density batteries to deliver a range up to 240 km. Ola plans to introduce these electric scooters on Indian roads by the start of 2021, with manufacturing units set up in the country.

Euler Motors raises USD 284 million as part of Series A Funding

Euler Motors, an automotive technology start-up focussing on commercial electric vehicles (EVs), has raised USD 284 million as a part of its ongoing Series A funding led by the Inventus Capital India. Company plans to utilise these funds to enhance its product and technology and scale its network of charging and service stations across India. Also, it intends to launch its three-wheeler EV for commercial logistics by the end of this year.