

MARKET MOVEMENT

Major Indices	May 17, 2019	May 24, 2019	% Change	Change
BSE Sensex	37,930.77	39,434.72	3.96	↑
NSE Nifty	11,407.15	11,844.10	3.83	↑

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- **CEA designs model for discoms' power sale and purchase**
- **ADB signs agreement to provide USD 750 million loan**
- **NCLT approves Heinz India-Zydus Nutritions merger**
- **CCI approves GSK, Pfizer consumer healthcare JV formation**
- **RBI amends norms on VRR investment by FPIs**

CEA designs model for discoms' power sale and purchase

Central Electricity Authority (CEA) has tied up with the Department for International Development (DFID), UK, to develop models that can help discoms reduce their cost and improve operations and supply. Model will encompass cost optimisation, demand forecast, integration of renewable energy, and peak and non-peak power supply functions. Also, share of renewables is increasing, it will help in planning an optimum energy mix of thermal, hydro, solar, wind and also long term and short term purchase.

ADB signs agreement to provide USD 750 million loan

Asian Development Bank (ADB) has signed an agreement to provide USD 750 million equivalent in Indian rupee long-term financing to electrify railway tracks in India. Indian Railway Finance Corporation (IRFC) will use the proceeds from the loan to install electric traction equipment along about 3,378 kilometres of existing railway lines to enable migration of passenger and freight traffic from diesel to electric traction.

NCLT approves Heinz India-Zydus Nutritions merger

National Company Law Tribunal (NCLT) has approved scheme of amalgamation between two subsidiaries Heinz India Pvt Ltd with Zydus Nutritions Ltd. Acquisition was announced on October 24 last year and now Heinz India has ceased to be in existence after approval. Heinz India, a subsidiary of the

US-based Kraft Heinz, had a distribution network of over 800 and over 20,000 wholesalers covering 29 states.

CCI approves GSK, Pfizer consumer healthcare JV formation

Competition Commission of India has approved the formation of a joint venture for consumer healthcare products by pharmaceutical giants GlaxoSmithKline (GSK) and Pfizer. After the deal, GSK will have a majority controlling equity interest of 68% in the combined consumer healthcare business, while Pfizer will have a minority non-controlling equity interest of the remaining 32%.

RBI amends norms on VRR investment by FPIs

Reserve Bank of India has fixed the investment limit at USD 7.87 billion for foreign portfolio investors (FPIs) under the Voluntary Retention Route (VRR), which allows to park funds in both government securities as well as corporate debt. Minimum retention period would be three years. During this period, FPIs shall maintain a minimum of 75% of the allocated amount in India.

INDUSTRY WATCH

- **Indian Railways improves operating ratio to 97.3% in FY19**
- **Gold imports rise 54% to USD 3.97 billion in April**
- **Major ports cargo traffic rises 6% to 60 mt in April**
- **Bank credit to infra sector grows 18.5% in FY19**
- **4G tablet market grows 62%**

Indian Railways improves operating ratio to 97.3% in FY19

Indian Railways has improved its operating ratio for 2018-19 to 97.3% largely due to its largest customers. Operating ratio is calculated based on how much money the railways spends to earn each rupee. Government-owned companies gave freight advances under the 'Freight Advance Scheme' to the tune of USD 1.87 billion to the railways for its services that they will use in the current year.

Gold imports rise 54% to USD 3.97 billion in April

Gold imports increased 54% to USD 3.97 billion in April from USD 2.58 billion in April 2018. India is the largest importer of gold, which mainly caters to the demand of the jewellery industry. In volume terms, the country imports 800-900 tonnes of gold annually.

Major ports cargo traffic rises 6% to 60 mt in April

12 major ports have recorded 5.65% rise in cargo handling to 60.07 million tonnes (mt) in April this fiscal against 56.86 mt of cargo in April last year. Main drivers of growth were higher demand for coal,

petroleum, oil and lubricants. Coking coal volumes grew by 30.62% to 5.51 million tonnes (mt) during the first month this fiscal, while thermal and steam coal rose 12.65% to 10.91 mt.

Bank credit to infra sector grows 18.5% in FY19

Bank credit to infrastructure sector grew by 18.5% to USD 152.06 billion as of 2018-19. Outstanding bank credit to the sector was USD 128.42 billion as at March 2018. Bank loans to the overall industrial sector grew by 6.9% to USD 411.93 billion in FY19. Bank loans to power sector had increased by 9.5% to USD 82.01 billion compared to USD 74.8 billion in FY18, roads sector registered growth of 12.2% to USD 26.8 billion.

4G tablet market grows 62%

Shipment of 4G tablets grew 62% in India in the first quarter of 2019. Lenovo led the market with 26%, followed by Samsung at 17% and iBall also at 17%. Apple was fourth with 9% market share. There was a 28% sequential increase in tablet shipments in the USD 145 - USD 288 price segment.

CORPORATE HIGHLIGHTS

- **Infosys completes acquisition of 75% stake in Stater**
- **Warburg Pincus forms JV with Runwal to build malls**
- **Ingka buys minority stake in home design startup Livspace**
- **Amplus receives 150 MW solar projects in Haryana**
- **Indian Hotels signs USD 600 million investment partnership with Singapore's GIC**

Infosys completes acquisition of 75% stake in Stater

Infosys has completed the acquisition of 75% shareholding in ABN AMRO Bank's wholly-owned Stater NV. Partnership strengthens Infosys' position as a leading technology and business process management provider across the mortgage services value chain, improving experience and operational efficiencies.

Warburg Pincus forms JV with Runwal to build malls

Warburg Pincus has partnered Runwal to build malls and would invest USD 200 million each in the form of equity and hold 50% stake each. They plan to raise another USD 600 million in the form of debt

to create a corpus of USD 1 billion to develop malls across tier-I, II and III cities in the country. Warburg Pincus has partnerships in mall space in China, Vietnam and Indonesia, with entities such as Red Star Macalline, Vincom Retail, and NWP Retail.

Ingka buys minority stake in home design startup Livspace

Ingka Group the franchise partner of furniture giant Ikea has picked up a minority stake in the company. Ingka Group operates 367 Ikea stores worldwide including in India. Size of investment is not disclosed but it is Ikea's first technology investment in India. Funds will be used to develop new home interior solutions and products while expanding its offline presence.

Amplus receives 150 MW solar projects in Haryana

Amplus Solar has received approval from Haryana government for two power projects of 150 MW for supplying clean energy to industries. Projects will be set up under group captive model in Sirsa and Bhiwani districts where it has already acquired 575 acres of land under a long-term lease with a capital investment of USD 108 million for these open access projects.

Indian Hotels signs USD 600 million investment partnership with Singapore's GIC

Indian Hotels Co Ltd (IHCL) has signed a strategic partnership with Singapore's sovereign wealth fund GIC Pte Ltd for an investment framework of around USD 600 million for a period of three years. This investment platform will be used to acquire fully operational hotels mainly in the luxury, upper upscale and upscale segments in India. Hotels acquired within the framework will be managed by IHCL under its marquee brands.