



MARKET MOVEMENT

Major Indices	May 31, 2019	June 07, 2019	% Change	Change
BSE Sensex	39,714.20	39,615.90	(0.24)	
NSE Nifty	11,922.80	11,870.65	(0.43)	

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- Leverage ratio is relaxed to support bank lending
- World Bank signs USD 287 million loan agreement for Health Programme
- RBI relaxes stressed asset norms
- AIIB signs USD 335 million loan agreement for Bengaluru Metro
- RBI modifies large exposures framework for bank

Leverage ratio is relaxed to support bank lending

Leverage ratio (LR) for banks to help them expand their lending activities is relaxed Reserve Bank of India (RBI) by reducing it to 4% for Domestic Systemically Important Banks (DSIBs) and 3.5% for other banks. Leverage ratio, as defined under Basel-III norms, is Tier-I capital as a percentage of the bank's exposures. It is designed to capture leverage associated with both on- and off-balance sheet exposures.

World Bank signs USD 287 million loan agreement for Health programme

Central Government, Tamil Nadu and the World Bank have signed a USD 287 million loan agreement for the Tamil Nadu Health System Reform Programme (TNHSRP) to improve the quality of health care, reduce the burden of Non-Communicable Diseases (NCDs), and fill equity gaps in reproductive and child health services

RBI relaxes stressed asset norms

Reserve Bank of India (RBI) has issued a new prudential framework for resolution of stressed assets. It has made voluntary for lenders to take defaulters to the bankruptcy court; the framework now applies to a larger universe of lenders, which includes small banks and non-banking finance companies (NBFCs); and penal provisions have been introduced for lenders.

AIIB signs USD 335 million loan agreement for Bengaluru Metro

Asian Infrastructure Investment Bank (AIIB) signs USD 335 million long-term loan agreement for the Phase II project. Funds will be utilised in the construction of the 14-km Dairy circle - Nagawara underground Metro line, which is part of Reach 6 (Gottigere - Nagawara) of Phase II. Already, the BMRCL has awarded the contract for constructing 7-km underground stretch.

RBI modifies large exposures framework for bank

Reserve Bank of India (RBI) has modified the guidelines on large exposures for banks to reduce concentration of risk and align them with the global norms. modified 'Large Exposures Framework' (LEF) provides exclusion of entities connected with the sovereign from definition of group of connected counter-parties. It also introduces economic interdependence criteria in definition of connected counter-parties.

INDUSTRY WATCH

- **Telangana's IT/ITeS exports register growth of 16.89%**
- **Housing sales rise 13% in January - March on stable prices**
- **Containerised exports grow 6% during January-March**
- **India supplies two-thirds of AIDS treatment to world**
- **Microfinance industry posts 38% growth in 2018-19**

Telangana's IT/ITeS exports register growth of 16.89%

IT/ITeS exports registered a 16.89% growth in 2018-19 in Telangana. IT sector generated direct employment to 543,000 persons with 67,725 new professionals joining the workforce in the State last year. Growth is supported by Government initiatives. T-Works, India's largest prototyping centre for electronics, electromechanical and mechanical startups is also coming up in 78,000 sq ft facility with over 200 machines across 11 sections.

Housing sales rise 13% in January - March on stable prices

Housing market is showing signs of recovery with sales rising by 13% during January-March this year at more than 33,000 units compared to 29,000 units in the year-ago period in seven cities namely, Delhi-NCR, Mumbai, Chennai, Kolkata, Bengaluru, Hyderabad and Pune. Mumbai, Chennai, Bengaluru and Delhi-NCR were the dominant markets, with a share of almost 70-75% in both new launches and sales.

Containerised exports grow 6% during January-March

Containerised exports registered a growth of 6% in the January-March quarter due to rise in demand while imports declined 2.2% over the same period. Overall export trend was driven by strong performance in refrigerated cargo, engineering and pharmaceuticals and commodities like plastic, rubber, textile, vehicles and vegetables as the key drivers. Saudi Arabia, USA, Germany, Belgium and Spain were among the highest export countries for India's refrigerated cargo.

India supplies two-thirds of AIDS treatment to world

India is supplying the world with two-thirds of the antiretroviral drugs to treat those infected with HIV. These affordable generic medicines have helped scale up access to treatment across developing countries. India has a special licence the UN-backed Medicines Patent Pool to manufacture anti-AIDS medicine TenofovirAlafenamide (TAF) for 112 developing countries.

Microfinance industry posts 38% growth in 2018-19

Microfinance industry's gross loan portfolio (GLP) grew 38% to USD 27 billion at the end of March. Total number of microfinance accounts rose 21.9% to 93.3 million at the end of March 2019. Non-Banking Finance Company-Microfinance Institutions (NBFC-MFIs) increased by 47% to USD 9.82 billion Y-o-Y.

CORPORATE HIGHLIGHTS

- Mahindra invest USD 144 million in developing BS-VI technology
- Tata AutoComp forms 50:50 Joint Venture with SECO Seojin
- NoBroker raises USD 51 million from General Atlantic
- GE Power gets USD 106 million order from Aravali Power Company
- Bharat Forge invests USD 12.8 million in a new JV to make EV component

Mahindra invest USD 144 million in developing BS-VI technology

Mahindra & Mahindra (M&M) is upgrading eight diesel and four petrol engines spread across over 50 products over the next 12 months with an investment of over USD 144 million. It will transition to the stringent BS-VI emission norms ahead of schedule and execute the project at least a 20% lower cost increase than estimated.

Tata AutoComp forms 50:50 Joint Venture with SECO Seojin

Tata AutoComp Systems Limited has entered into a 50:50 JV with SECO Seojin of South Korea to design, develop and manufacture clutch systems in India. Product range will comprise of the Clutch Cover, Clutch Disc and Friction material required for Clutch Application. Strategy of JV formation is into India commercial vehicle market, Tractor industry, expand passenger vehicle business and establish independent aftermarket for the product.

NoBroker raises USD 51 million from General Atlantic

NoBroker.com raised USD 51 million in a series C round led by US-based private equity firm General Atlantic. NoBroker.com that allows its subscribers to rent and buy homes online without brokerage fee. It plans to expand its operations to top ten cities in India in the next one year, and build its technology stack and recommendation engine.

GE Power gets USD 106 million order from Aravali Power Company

GE Power India has received a contract worth **USD 106 million** from **Aravali Power Company Private Limited** for design, engineering, civil work, supply, erection and commissioning of wet FGD (Flue Gas Desulphurisation) systems along with auxiliaries like limestone and gypsum handling system and wet stack on full turnkey basis.

Bharat Forge invests USD 12.8 million in a new JV to make EV component

Bharat Forge has announced an investment of **USD 12.8 million** into a new **50: 50 Joint Venture (JV)** with **Germany's Refu** Elektronik GmbH to manufacture components for electric and hybrid vehicles. Components include on-board controllers and components, mainly - drives, invertors, converters (including AC/DC) and all kind of auxiliary applications, related power electronics and battery management systems (BMS). Both the parties will have joint management with equal rights to appoint Board with equal capital contribution and representation.