



MARKET MOVEMENT

Major Indices	August 23, 2019	August 31, 2019	% Change	Change
BSE Sensex	36,701.16	37,332.79	1.72	
NSE Nifty	10,829.35	11,023.25	1.79	

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- Cabinet approves USD 89.68 million export subsidy for sugar
- Labour ministry extends public utility service status for products related to oil
- Government relaxes FDI in coal mining infrastructure
- Cabinet approves signing of agreement between India and Peru
- Government withdraws enhanced surcharge on tax payable on transfer of certain assets

Cabinet approves USD 89.68 million export subsidy for sugar

Cabinet has approved an export subsidy of USD 0.15 per kg. This would enable mills to ship around six million tonnes (mt) of the sweetener in the coming season that starts from October. Subsidy is expected to cost the exchequer almost USD 89.68 million, will give an additional cash flow to the tune of around USD 2.57 billion to mills and help them clear cane dues. Subsidy will be credited to bank accounts of farmers against cane price dues and are compliant with WTO norms.

Labour ministry extends public utility service status for products related to oil

Labour ministry has extended the public utility service status for all industry involved in production and manufacturing of mineral oil, motor and aviation oil, diesel and kerosene for six months with effect from September 1, 2019. Manufacturing or production of mineral oil (crude oil), motor and aviation spirit, diesel oil, kerosene oil, fuel oil, diverse hydrocarbon oils and their blends including synthetic fuels, lubricating oils and the like is covered under items 26 of the first schedule to the Industrial Disputes Act, 1947.

Government relaxes FDI in coal mining infrastructure

Government has relaxed Foreign Direct Investment (FDI) rule for foreign single brand retailers and also permitted foreign investment in contract manufacturing and coal mining. 100% FDI under automatic

route in coal mining and associated infrastructure is approved and to promote domestic manufacturing, contract manufacturing under automatic route has been allowed. 26% FDI has been allowed in digital media.

Cabinet approves signing of agreement between India and Peru

Cabinet has approved signing of agreement between India and Peru on Cooperation in the field of Medicinal Plants. Agreement will provide structured framework for cooperation between the two countries on Medicinal Plants. There is no additional financial implication involved. The financial resources necessary to conduct research, training courses, conferences / meetings will be met from the existing allocated budget and existing plan schemes.

Government withdraws enhanced surcharge on tax payable on transfer of certain assets

To encourage investment in the capital market, Government has withdrawn the enhanced surcharge levied by the Finance (No. 2) Act, 2019 on tax payable at special rate on income arising from the transfer of equity share/unit referred to in section 111A and section 112A of the Income-tax Act, 1961 (the 'Act') from the current FY 2019-20. Capital assets are mentioned in section 111A and section 112A are equity shares in a company, unit of an equity-oriented fund; and unit of a Business Trust.

INDUSTRY WATCH

- Exports rise 2.25% in July
- Digital payments growing in India at 12.7% CAGR
- Crude steel output rises 1.7% in July
- Import of synthetic resin polymethyl methacrylate is prohibited
- GeM signs MoU with SIDBI

Exports rise 2.25% in July

Merchandise exports grew 2.25% to USD 26.3 billion in July from USD 25.75 billion a year earlier, majorly supported by higher shipments of organic goods, drugs and pharmaceuticals. Non-petroleum and non-gems and jewellery exports grew 5.3% to USD 19.70 billion.

Digital payments growing in India at 12.7% CAGR

Digital have recorded significant growth of 12.7% CAGR (Compound Annual Growth Rate). Mobile payment has resulted in increase in number of vendors receiving digital payments with around 1.5 million

digital payment acceptance locations in 2016-17. Number of vendors accepting digital payments modes have grown to more than 10 million in a short span of two-three years. Volume of UPI transactions has increased at a CAGR of 246% during the period from 2016-17 to 2018-19.

Crude steel output rises 1.7% in July

Crude steel output increased by 1.7% to 9.21 million tonnes (mt) in July 2019 compared to 9.06 mt of crude steel during the same month a year ago. Global steel production for the 64 countries grew 1.7% to 156.697 mt in July 2019 against 154 mt in July last year. China's production for July 2019 was at 85.22 mt, as against 81.18 mt in the year-ago-month.

Import of synthetic resin polymethyl methacrylate is prohibited

Government has banned the import of polymethyl methacrylate, with effect from September 1. As per the existing import policy, imports of the product were free. India imported USD 11, 751.42 worth of the product in the first quarter of 2019-20 compared with USD 63761.56 in 2018-19. Product is a kind of a synthetic resin which is used in products like shatterproof windows, and illuminated signs.

GeM signs MoU with SIDBI

Government e Marketplace (GeM has signed an MoU with Small Industries Development Bank of India (SIDBI) to benefit MSMEs, women entrepreneurs, Self Help Groups (SHGs), Women Self Help Groups and various loan beneficiaries under MUDRA and Stand-up India scheme. GeM and SIDBI will take steps to ensure payments within a guaranteed timeframe to sellers, enhance working capital availability through bill discounting and control NPAs through control of end use.

CORPORATE HIGHLIGHTS

- **Toyota and Suzuki forms capital alliance**
- **Eywa enters US pharma market**
- **Amazon announces launch of Pune delivery station**
- **Wipro expands its partnership with Google Cloud**
- **Tech Mahindra and Adjoint collaborate on Blockchain solution**

Toyota and Suzuki forms capital alliance

Toyota Motor Corp and Suzuki Motor Corp has announced a "capital alliance" for equity investment into each other. While Toyota will acquire 4.94% shares of Suzuki, worth USD 908 million, the latter will make a USD 454 million investment in the biggest automaker of Japan. Premium products of Maruti such as the Baleno, Ciaz and Vitara Brezza will be sold under the Toyota brand with small changes. In return, Maruti will get technical know-how, which will help the company develop hybrid and electric cars.

Eywa enters US pharma market

Eywa Pharma, a Chennai based startup is entering the US market with products that have a total value of USD 1 billion. Eywa's business model is not about becoming a licencing firm, but rather a front-end generic drugmaker. This will help firm to add products quickly in the market; otherwise customers wouldn't show interest if they launch just one or two products.

Amazon announces launch of Pune delivery station

Amazon India today announced the launch of its delivery station in Pune, which is its largest delivery station with a spread of 40,000 sq ft. It would be further expanding its delivery network in Maharashtra, taking it up to 200 owned and delivery service partner stations and over 3,000 'I Have Space' partners. Amazon now has 200 company owned delivery stations in India with another 700 partner owned ones.

Wipro expands its partnership with Google Cloud

Wipro has expanded its strategic partnership with Google Cloud to accelerate cloud adoption and digital transformation for global enterprises. It has a dedicated practice focused on Google Cloud Platform (GCP). It would promote innovation for enterprises in industry verticals such as consumer goods, BFSI, semiconductor, and healthcare, through a 'business-first' strategy.

Tech Mahindra and Adjoint collaborate on Blockchain solution

Tech and financial technology firm Adjoint has announced collaboration on industry's first Blockchain solution for secure enterprise financial management and insurance services. With this solution, customers could save up to USD 4 million for every one billion of financial risk management and banking relationships. It has a messaging and consensus protocol mechanism through which the participants in the Blockchain ecosystem agree on the data to be put in the blockchain ledger.