



**MARKET MOVEMENT**

Major Indices	May 15, 2020	May 22, 2020	% Change	Change
BSE Sensex	31,097.73	30,672.59	(1.36)	
NSE Nifty	9,136.85	9,039.25	(1.06)	

**INDIAN ECONOMY AT A GLANCE****POLICY WATCH**

- Government announces several initiatives to support Education Sector
- Government approves USD 56.75 million Defence Testing Infrastructure Scheme
- Cabinet clears stimulus package for fisheries
- RBI announces additional measures for strengthening the economy
- CCI approves acquisition of Emami Cement Limited

**Government announces several initiatives to support Education Sector**

Government has taken initiatives for major interventions in education sector particularly in the area of adopting innovative curriculum and pedagogies, concentrating energies on the gap areas, being more inclusive and integrating technology at every stage, to usher in a new era of focussed investment in the human capital. These initiatives will promote the access and equity in education and improve the gross enrolment ratio in the times to come.

**Government approves USD 56.75 million Defence Testing Infrastructure Scheme**

Government has approved the launch of Defence Testing Infrastructure Scheme (DTIS) with an outlay of USD 56.75 million for setting up six to eight new test facilities in partnership with private industry. This will facilitate indigenous defence production, consequently, reduce imports of military equipment and help make the country self-reliant. Projects under the Scheme will be provided with up to 75% Government funding in the form of 'Grant-in-Aid', remaining 25% of the project cost will be funded by the Special Purpose Vehicle (SPV) of Indian private entities and State Governments.

### **Cabinet clears stimulus package for fisheries**

Cabinet has given its approval for implementation of USD 2.63 billion Pradhan Mantri Matsya Sampada Yojana (PMMSY). Scheme will be implemented during a period of 5 years and will help in improving infrastructure along with investments in the fisheries sector. Funds will be utilized in enhancement of production and productivity, infrastructure and post harvest management, fisheries management and regulatory framework.

### **RBI announces additional measures for strengthening the economy**

Reserve Bank of India (RBI) has announced yet another set of measures to smoothen the flow of finance and preserve financial stability. Repo rate has been reduced by 40 basis points from 4.4% to 4.0%. The Marginal Standing Facility rate and the Bank rate have been reduced from 4.65% to 4.25%. The reverse repo rate has been reduced from 3.75% to 3.35%. Maximum permissible period of pre-shipment and post-shipment export credit sanctioned by banks to exporters has been increased from the existing one year to 15 months. A line of credit of USD 1.97 billion to the EXIM Bank is announced.

### **CCI approves acquisition of Emami Cement Limited**

Competition Commission of India (CCI) approves acquisition of 100% of the total issued and paid up share capital of Emami Cement Limited (ECL), on a fully diluted basis, by Nuvoco Vistas Corporation Limited. ECL is a part of the Emami group and owns and operates cement manufacturing units in the states of West Bengal, Chhattisgarh, Bihar and Odisha.

## **INDUSTRY WATCH**

- Scheme for formalisation of FME gets approval
- Coir Geo textiles gets nod for Rural Road Construction
- NTPC signs pact with ONGC to set up JVC for Renewable Energy
- Telangana's IT exports grows 18% at USD 16.95 billion in FY'20
- Forex reserves rise to USD 487.04 billion

### **Scheme for formalisation of FME gets approval**

Scheme for Formalisation of Micro food processing Enterprises (FME) for the Unorganized Sector on all India basis with an outlay of USD 1.31 billion gets approval. 2,00,000 micro-enterprises are to be assisted with credit linked subsidy. Objectives of scheme are to increase access to finance by micro food processing units, enhanced revenues of target enterprises, compliance with food quality and safety standards and strengthening capacities of support systems.

### **Coir Geo textiles gets nod for Rural Road Construction**

Coir Geo textiles, a permeable fabric, natural, strong, highly durable, resistant to rots, moulds and moisture, free from any microbial attack, has finally been accepted as a good material for rural road construction. 164 Kms of road will be constructed using coir geo textiles in Andhra Pradesh, 151 kms in Gujarat, 71 kms in Kerala, 328 kms in Maharashtra, 470 kms in Odisha, 369 kms Tamil Nadu and 121 kms in Telengana. 1674 km road will be constructed using Coir Geo textiles in 7 states for estimated cost of which would come to USD 9.93 million.

### **NTPC signs pact with ONGC to set up JVC for Renewable Energy**

NTPC Ltd has signed a Memorandum of Understanding (MoU) with Oil and Natural Gas Corporation Limited (ONGC) to set up a Joint Venture Company (JVC) for Renewable Energy business. JVC will explore the setting up of offshore wind and other Renewable Energy Projects in India and overseas along with emerging opportunities in the fields of sustainability, storage, E-mobility and ESG (Environmental, Social and Governance) compliant projects.

### **Telangana's IT exports grows 18% at USD 16.95 billion in FY'20**

IT exports from Telangana has grown by 18% to USD 16.95 billion in FY '20 against USD 14.37 billion in the FY '19. The sector has 5,82,126 employees as of March 31 against 5,43,033 personnel at the end of 2018-19. Major investments like inauguration of Amazons worlds largest facility at three-million sq ft and Microns largest Research and Development centre globally, opening of centers of Tech Mahindra and Cyient in the tier-2 location of Warangal are also facilitated during the period.

### **Forex reserves rise to USD 487.04 billion**

Foreign Exchange Reserves increased by USD 1.73 billion to USD 487.04 billion in mid of May 2020. FCA rose by USD 1.12 billion to USD 448.67 billion, special drawing rights with the International Monetary Fund (IMF) rose by USD 2 million to USD 1.42 billion and gold reserves rose USD 616 million to USD 32.91 billion during the same period. Between April 1 and May 15, the Foreign Exchange Reserves have increased by USD 9.2 billion.

## **CORPORATE HIGHLIGHTS**

- **Siemens AG sells 24% stake in Indian unit for USD 1.21 billion to group firm**
- **Indiabulls Housing raises USD 146.12 million via bonds**
- **Khatabook raises USD 60 million in Series B round**
- **KEC International bags orders worth USD 170.66 million**
- **Lendingkart raises USD 45.25 million in Series D funding**

**Siemens AG sells 24% stake in Indian unit for USD 1.21 billion to group firm**

**Siemens Aktiengesellschaft, the German conglomerate, sold shares worth over USD 1.21 billion in its listed Indian subsidiary Siemens Ltd, amounting to 24% stake, to another group firm Siemens Gas and Power Holding BV. Siemens AG held 71.70% stake in Siemens Ltd, while another group firm held 3.3% stake. Average price per share is USD 14.14.**

**Indiabulls Housing raises USD 146.12 million via bonds**

**Indiabulls Housing Finance Ltd has raised USD 146.12 million by issuing bonds on a private placement basis. Company allotted 10,300 secured, redeemable, non-convertible debentures of face value USD 14,186.4 each, aggregating to USD 146.12 million on a private placement basis. Coupon rate on the bonds with three years tenor is 9.10% per annum (payable annually).**

**Khatabook raises USD 60 million in Series B round**

**Khatabook (digital ledger app) that helps micro, small and medium-sized businesses track business transactions, has received USD 60 million in Series B round of funding led by B Capital Group. Company plans to utilise these latest funds to ramp up its products and services for Indian merchants. In 2019, the start-up secured USD 25 million in Series A funding from Partners of DST Global, GGV Capital, Sequoia India, Tencent, and others.**

**KEC International bags orders worth USD 170.66 million**

**KEC International, an infrastructure firm, has bagged orders worth USD 170.66 million across various businesses. Power transmission and distribution segment, T&D business and SAE Towers of RPG group have secured orders worth USD 130.09 million in India, Bangladesh, Africa and the Americas. Civil business of the company has got orders of USD 24.97 million for industrial civil works for Flue Gas Desulfurization (FGD) project and residential projects, while cables business orders are of USD 15.61 million.**

**Lendingkart raises USD 45.25 million in Series D funding**

**Lendingkart Technologies Pvt Ltd, a fintech firm, has raised a Series D funding round of USD 45.25 million, led by existing investors including Fullerton Financial Holdings Pte Ltd, and Bertelsmann India Investments, Sistema Asia Fund and IndiaQuotient. company plans to utilise these funds to expand its lending base and further reach out to small and under-served micro and small enterprises and strengthen the company's technological and analytics capabilities.**