



MARKET MOVEMENT

| Major Indices | January 05, 2017 | January 12, 2017 | % Change | Change |
|---------------|------------------|------------------|----------|---|
| BSE Sensex | 34,153.85 | 34,592.39 | 1.28 |  |
| NSE Nifty | 10,558.85 | 10,681.25 | 1.15 |  |

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- **Delhi Government approves 13 km elevated lane to bypass Ring Roads**
- **Cabinet approves closure of Tungabhadra Steel Products**
- **Telecom Commission clears relaxing spectrum holding limits**
- **Centre relaxes FDI norms in airlines, retail, construction**
- **Cabinet approves for continuing MPLAD scheme**

Delhi Government approves 13 km elevated lane to bypass Ring Roads

Government has given its approval to build a 13-km elevated corridor along the Yamuna between Signature Bridge near North Delhi's Wazirabad and Kalindi Kunj bypass in the south to decongest Ring Road and Outer Ring Road. It will be connected to all the eight bridges over the Yamuna as it passes through the city. Cost of the project is USD 338.5 million and possibility of executing it on a Public-Private Partnership (PPP) model is being explored.

Cabinet approves closure of Tungabhadra Steel Products

Cabinet has approved the implementation of an earlier decision on closure of Tungabhadra Steel Products Ltd (TSPL) regarding disposal of its immovable assets. Development also provides for getting the name of TSPL removed from the Registrar of Companies after setting balance liabilities of the company. Also, selling 82.37 acres of land of the company at Hospet to Karnataka Government at a rate of USD 100,000 for use of Karnataka State Housing Board (KSHB) is approved.

Telecom Commission clears relaxing spectrum holding limits

Telecom Commission (TC) has approved relaxing spectrum holding limits to aid mergers and acquisitions and spectrum sale in a market where small carriers are trying to sell assets, including airwaves, to repay debt. 50% cap on intra-band spectrum holdings of carriers post mergers is removed but 50% limit on the combined spectrum holding in the 700 MHz, 800 MHz and 900 MHz bands is applied.

Centre relaxes FDI norms in airlines, retail, construction

Government has permitted foreign airlines to invest up to 49% in debt-ridden Air India. FIIs/FPIs are allowed to invest in Power Exchanges through primary market as well. 100% FDI under the automatic route for single brand retail trading is approved without mandate of taking Government approval. Also, Foreign Direct Investment (FDI) policy is relaxed for medical devices and audit firms associated with companies receiving overseas funds.

Cabinet approves for continuing MPLAD scheme

Cabinet Committee on Economic Affairs has approved the proposal to continue the MPLAD Scheme beyond the 12th Plan period (2012-17) up to March 31, 2020. Scheme would entail an annual allocation of USD 607.7 million and a total outlay of USD 1.82 billion over the next three years with an additional annual allocation of USD 0.76 million per year for monitoring through independent agency(ies). Areas covered are drinking water, education, public health, sanitation and roads.

INDUSTRY WATCH

- **Crude steel output increases to 101.28 mt in 2017**
- **Passenger vehicle sales rise 5.2% in December**
- **PE investments in hospitality industry rise 173% in 2017**
- **Factory output grows 8.4% in November**
- **Fuel demand rises 7.5% in December**

Crude steel output increases to 101.28 mt in 2017

Crude steel production has grown by 6% to 101.28 million tonnes (mt) in 2017. During April-December 2017-18, the output rose by 4.6% to 75.50 mt against 72.20 mt during the same period a year ago. In December 2017, 8.65 mt steel was produced compared to 8.38 mt in the same month a year ago.

Passenger vehicle sales rise 5.2% in December

Passenger vehicle sales in December has increased by 5.2% year on year (y-o-y) to 239,712 units. Sales of utility vehicles grew by 15% to 67,073 units while medium and heavy commercial vehicle sales rose 73% to 39,349 as transporters expanded their fleets and light commercial vehicles sales also increased by 37.6% to 42,923 units. Passenger vehicle sales rose by 8.8% to 3,229,109 units in 2017 from the previous year.

PE investments in hospitality industry rise 173% in 2017

Private equity investments in the hospitality industry grew by 173% to USD 119 million in 2017 compared to USD 43.58 million in 2016 while the number of deals signed remained same- 17 deals including hotels and restaurants. Private Equity (PE) interest has been driven by the growing occupancy and also a gradual improvement in room rates over the last two years.

Factory output grows 8.4% in November

Index of Industrial Production (IIP) rose 8.4% from a year ago period as capital goods, intermediate goods, construction goods and consumer durables have shown good growth. Manufacturing sector which constitutes 77.63% of IIP grew 10.2% in November compared to 4% last year due to 9.4% rise in capital goods production and 13.5% increase in construction goods. 15 out of the 23 industry groups in the manufacturing sector have shown positive growth during the month.

Fuel demand rises 7.5% in December

Consumption of fuel in India increased 7.5% year-on-year (y-o-y) to 17.39 million tonnes in December 2017. Sales of petrol increased 10.3% y-o-y to reach 2.17 million tonnes, sales of cooking gas or liquefied petroleum gas (LPG) rose 6% y-o-y to 2.06 million tonnes, sales of bitumen increased 3.7% y-o-y in December 2017.

CORPORATE HIGHLIGHTS

- **NACL Industries gets board approval to raise USD 460 million**
- **Motherson Sumi forms JV with Ossia Inc**
- **Welspun India sets up US arm to invest in e-commerce firms**
- **Kamdhenu ties up with Graphenstone to introduce eco-friendly paints**
- **RINL, KIOCL sign pact for pellet plant project in Vizag**

NACL Industries gets board approval to raise USD 460 million

NACL Industries has received board approval to raise USD 460 million to fund its growth plans. Company has worked out a plan to grow its exports as well as domestic business by developing a pipeline of new products as well as planning to expand production of intermediates and bio-products.

Motherson Sumi forms JV with Ossia Inc

Motherson Sumi System Limited (MSSL) has formed a Joint Venture (JV) with Ossia through its subsidiary Samvardhana Motherson Automotive Systems Group BV. Ossia is the innovator of Cota Real Wireless Power technology. Motherson Innovations Company Limited (MI) will hold a majority stake in JV and invest USD 14 million for a 4.5% equity stake in Ossia Inc. JV will focus on the integration of Cota technology into a wide range of non-military passenger, commercial and public transportation vehicles.

Welspun India sets up US arm to invest in e-commerce firms

Welspun India has incorporated a wholly-owned subsidiary Welspun Nexgen Inc registered with the state of Delaware, US having paid up capital of USD 4.25 million to invest in e-commerce companies. Welspun is the leading home fashions supplier in the USA and amongst the top 3 global manufacturers of bed and bath linen. Its strategic warehousing facilities are in key markets-USA, UK, Europe and India-to ensure seamless distribution.

Kamdhenu ties up with Graphenstone to introduce eco-friendly paints

Kamdhenu has tied up with Spanish paint maker Graphenstone to bring safe eco-friendly paints in India by obtaining exclusive rights to import and market the products. This will help in tapping the growing demand for high-quality, green paints as a result of increasing consciousness among consumers for environment. Paints are free of volatile organic compounds (VOC) emission.

RINL, KIOCL sign pact for pellet plant project in Vizag

Rashtriya Ispat Nigam Limited (RINL), the corporate entity of Visakhapatnam Steel Plant, has signed an MoU with Kudremukh Iron Ore Company Limited for setting up a 1.2 million tonne per annum pellet plant project at Vizag. Pellets will be produced by utilising iron ore fines which will be supplied from either mines situated at Bailadila in Chhattisgarh or Bellary in Karnataka. RINL will use these pellets as part of raw material requirement for its blast furnaces.