



MARKET MOVEMENT

| Major Indices | July 08, 2016 | July 15, 2016 | % Change | Change |
|---------------|---------------|---------------|----------|---|
| BSE Sensex | 27,126.90 | 27,836.50 | 2.61 |  |
| NSE Nifty | 8,323.20 | 8,541.40 | 2.62 |  |

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- Union Cabinet approves skill training through PMKVY
- Kenya and India sign 7 pacts to strengthen cooperation in security
- USD 92 million Line of Credit to Tanzania
- India sets up apparel training centre in Nigeria
- Bangladesh and India sign agreement for joint coal fired power plant

Union Cabinet approves skill training through PMKVY

The Union Cabinet has approved the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) with an outlay of USD 1.8 billion to impart skill training to 10 million people over the next four years (2016-2020). PMKVY will impart fresh training to 6 million youth and certify skills of 4 million persons acquired non-formally under the Recognition of Prior Learning.

Kenya and India sign 7 pacts to strengthen cooperation in security

Kenya and India have signed seven pacts to deepen and expand cooperation in a wide range of areas including defence, security and avoidance of double taxation. The Memorandum of Understanding (MoU) on Defence Cooperation signed will entail staff exchanges, expertise sharing, training, cooperation in hydrography and equipment supply. India will also build a cancer hospital in Kenya to provide quality and affordable healthcare.

USD 92 million Line of Credit to Tanzania

India has enhanced its ties with Tanzania signed an agreement under which India will provide a line of credit of USD 92 million for rehabilitation and improvement of Zanzibar's water supply system. India signed four other agreements that include Memorandum of Understanding (MoU) on water resource management and development, establishment of vocational training centre at Zanzibar, visa waiver for diplomatic/official passport holders and an agreement between National Small Industries Corporation of India and Small Industries Development Organisation Tanzania.

India sets up apparel training centre in Nigeria

India has setup an apparel training centre in Nigeria to promote skill development in the textile sector there. The centre is aimed to support and catalyze the initiative of Nigeria in realizing the objectives to rebuild the cotton and textile value chain and address the need for skilled workforce for domestic as well export-oriented apparel industry in the West African region.

Bangladesh and India sign agreement for joint coal fired power plant

Bangladesh and India have signed a landmark deal for the construction of a 1,320 megawatt coal fired power plant. This is the biggest project under bilateral cooperation that would mark the transition from electricity export to generation level. India's Exim Bank will provide USD 1.49 billion for the project which is scheduled to start generating power in 2019.

INDUSTRY WATCH

- **137.7% growth in tourists arrival on e-Tourist Visa in June 2016**
- **Passenger vehicle sales grow 2.68% in June**
- **Vegetable oil imports increases by 15% to 1.16 million tonnes in June**
- **FIPB clears 6 FDI proposals worth USD 27.2 million**
- **Mergers and acquisitions in startup space rise in past three months**

137.7% growth in tourists arrival on e-Tourist Visa in June 2016

A total of 36,982 tourists arrived in June 2016 on e-Tourist Visa as compared to 15,557 during the month of June 2015 registering a growth of 137.7%. During January- June 2016, a total of 4,71,909 tourist arrived on e-Tourist Visa as compared to 1,26,214 during January-June 2015, registering a growth of 273.9% .

Passenger vehicle sales grow 2.68% in June

Sale of passenger vehicles has grown to 223,454 units, up 2.68% in June from a year ago. Sales of buses and trucks rose 5.63% to 56,032 units while sales in two-wheeler segment increased to 12.36% to 1.46 million units. Utility vehicle sales grew 35.24% in June to 55,825 units. Sales in all the broader segments, including three-wheelers, have grown with the total industry selling as many as 1.79 million units, up 10.7% year on year.

Vegetable oil imports increase by 15% to 1.16 million tonnes in June

India's import of vegetable oils has increased by 15% in June due to rising shipments of refined palm oil. Import of vegetable oils during June, 2016 is reported at 1,169,456 tonnes compared to 1,016,297 tonnes in June, 2015. In the first eight months of the current year ending October, import of vegetable oils (comprising edible oil and non-edible oil) increased by 10% to 9.76 million tonnes compared to 8.84 million tonnes in corresponding period last oil year.

FIPB clears 6 FDI proposals worth USD 27.2 million

Foreign Investment Promotion Board (FIPB) has cleared six Foreign Direct Investment (FDI) proposals worth about USD 27.2 million. During 2015-16, FDI into the country increased by 29% to USD 40 billion from USD 30.93 billion in the previous fiscal. FIPB has also given its approval to Turmeric Vision which will pave the way for the buyout of 80% stake in Astro.

Mergers and acquisitions in startup space rise in past three months

Mergers and acquisitions have picked up significantly in the startup space with 48 deals in the past three months. Startups are looking at acquiring other ventures more to take a strategic move and eliminate the competition and fully utilize the conducive market situation. This is in line with the trend towards consolidation among startups.

CORPORATE HIGHLIGHTS

- IDFC Bank acquires of Grama Vidiyal Microfinance
- GoAir signs up for 72 A320neos
- Nirma buys Lafarge India for USD 1.4 billion
- Heraeus opens recycling facility for spent reforming catalysts in India
- Trivitron buys 60% stake in Turkish firm for 5 million euros

IDFC Bank acquires of Grama Vidiyal Microfinance

IDFC Bank has announced the acquisition of Grama Vidiyal Microfinance, a Trichy-based Microfinance company. The bank has completed a share purchase agreement with the lender. Grama Vidiyal would act as a dedicated BC (banking correspondent) and a 100% subsidiary of IDFC Bank.

GoAir signs up for 72 A320neos

GoAir signed a Memorandum of Understanding (MoU) with Airbus for the planes, valued at USD 7.7 billion. GoAir has signed for an additional 72 Airbus A320neo aircraft, doubling its order and paving the way for future expansion. The airline is now one of the three airlines that operate the new-generation aircraft that would cut down on fuel consumption.

Nirma buys Lafarge India for USD 1.4 billion

Nirma has announced its acquisition of Lafarge India's 11 million tonne (mt) cement business for USD 1.4 billion including debt. Nirma will sell bonds worth about USD 596 million to fund the acquisition. The deal was in line with the group's strategy to pursue organic and inorganic business expansion to develop strong operations across diversified business verticals.

Heraeus opens recycling facility for spent reforming catalysts in India

Heraeus has opened a new facility at Udaipur (Rajasthan) to recover precious metals from spent petroleum catalysts. The new site, operated by Ravindra Heraeus (the Joint Venture between Ravindra Choksi family and Heraeus), will offer India's petrochemical industry more capacity and technology to recycle platinum and palladium in the country.

Trivitron buys 60% stake in Turkish firm for 5 million euros

Trivitron Healthcare has acquired 60% stake in Turkish firm Bome Sanayi Urunleri Dis Tic Ltd Sti for 5 million euros. The remaining 40% stake in In-Vitro Diagnostic (IVD) device manufacturing firm will be held by the promoters. With this acquisition, Trivitron will have direct access to the Turkish, Middle Eastern, African, South and South East Asian markets.