



MARKET MOVEMENT

Major Indices	May 20, 2016	May 27, 2016	% Change	Change
BSE Sensex	25,301.90	26,653.60	5.3	
NSE Nifty	7,749.70	8,156.65	5.2	

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- Cabinet clears USD 1.6 billion investment in railway projects
- MoU between ISRO and the UAE Space Agency approved
- Government sanctions over USD 825 million for infra boost in 111 cities
- India signs USD 100 million loan agreement with World Bank
- Government approves Capital Goods Policy

Cabinet clears USD 1.6 billion investment in railway projects

Cabinet has cleared an investment of USD 1.6 billion in five railway projects involving **decongestion of the existing** network, through doubling and tripling of existing lines. Most of these lines are over-saturated with a capacity utilisation of more than 100%. The doubling and tripling projects would benefit multiple states including Gujarat, Maharashtra, Uttar Pradesh, Odisha and Andhra Pradesh

MoU between ISRO and the UAE Space Agency approved

Government has approved signing of a Memorandum of Understanding (MoU) between **ISRO and the UAE Space Agency** (UAESA), a move that will lead to setting up a Joint Working Group between the two agencies and help in cooperation in the exploration of outer space for peaceful purposes, especially in the field to study Mars.

Government sanctions over USD 825 million for infra boost in 111 cities

The Centre has approved an investment of over USD 825 million for providing basic **infrastructure in over 110** cities across six states under the Atal Mission for Rejuvenation and

Urban Transformation (AMRUT) scheme for the current fiscal. The funds will be used for providing household water taps, improving water supply, sewerage networks/sewage management, storm water drains, urban transport and provision of open and green spaces in these cities.

India signs USD 100 million loan agreement with World Bank

India signed a USD 100 million loan agreement with multilateral lending agency World Bank for Karnataka Urban Water Supply Modernisation Project. The project aims to provide access to a continuous piped water supply in various cities in Karnataka and strengthen the service delivery arrangements at the city level. The project will have four broad components - capital investment programme, institution building, technical assistance for sector development and project management.

Government approves Capital Goods Policy

Cabinet has approved a first ever national capital goods policy that seeks to reduce reliance on imported equipment by providing incentives on domestic production and in the process creating millions of jobs. The policy seeks to increase production of capital goods from USD 34.3 billion in 2014-15 to USD 112 billion in 2025 and also raise direct and indirect employment from the current 8.4 million to 30 million.

INDUSTRY WATCH

- **Indian Securitisation market grows 45% in FY2016**
- **Fresh fruit exports increase**
- **Microfinance portfolio grows 84% in FY16**
- **Service tax collections rise 25% in last four years**
- **Coir exports increase to USD 300 million**

Indian Securitisation Market grows 45% in FY2016

Indian Securitisation market grew by 45% to around USD 3.8 billion in FY2016, a reversal of past three years' trend, primarily due to revival in asset classes like commercial vehicle and construction equipment. Indian Securitisation market growth is observed due to the increased number and volumes of Asset-Backed Securitisation (ABS) transactions, which rose by 39% and 51% respectively in the year.

Fresh fruit exports increase

Demand for Indian mangoes, grapes, bananas and pomegranates has increased and the country has sent trial shipment of fresh fruit to new markets over the last few months. Export of

fresh bananas in the April-February period of 2015-16 rose 19.6% compared with the full year exports of 2014-15. Grapes have topped the fruit export chart for 2014-15 with shipment touching 107.3 thousand tonnes valued at USD 165 million.

Microfinance portfolio grows 84% in FY16

Higher size loans and buoyed bank funding helped microfinance institutions (MFIs) to increase their gross loan portfolio by 84% in 2015-16 to USD 7.9 billion, against USD 4.3 billion in FY15. About 60% of the loan portfolio of MFIs was concentrated in urban and semi-urban areas in FY16. Two major factors led to the growth in portfolio. First, there was a 45% increase in borrower base. Second, the Reserve Bank increasing the (permitted) size of micro loans helped the industry

Service tax collections rise 25% in last four years

A consistent rise at which services are taxed could be creating upward pressures on retail price inflation, which economists believe is hard to quantify because of its cascading impact on price of ultimate goods and services. Service tax collection has grown by a compounded annual rate of 25% over the past four years to an estimate USD 31.34 billion collected in FY16.

Coir exports grow to USD 300 million

Export of coir products have grown to touch USD 300 million. Coir exports for 2015-16 reached 752,020 tonnes valued at USD 280 million. The US, China, Netherlands and South Korea are the main buyers of coir products from India. China is the principal buyer of coir fibre from India.

CORPORATE HIGHLIGHTS

- **Tata's e-commerce portal ties up with Genesis for exclusive luxury brands**
- **AddressHealth raises USD 1.5 million in series a funding**
- **ClearTax raises USD 2 million from FF Angel and Sequoia Capital**
- **Piramal Fund Management invests USD 63.4 million in Lodha's Mumbai project**
- **Dr Reddy's buys 6 OTC brands from US-based Ducere Pharma**

Tata's e-commerce portal ties up with Genesis for exclusive luxury brands

TataCLiQ.com, the Tata group's multi-brand e-commerce platform has formalised a strategic partnership with Genesis Luxury Fashion to offer a wide range of international luxury brands exclusively. The partnership is a testament to provide the Indian consumer authentic brand

experiences directly through authorized sellers and not unknown resellers. Currently, all the international luxury brands online on TataCLiQ.com are through their exclusive tie-up.

AddressHealth raises USD 1.5 million in series a funding

AddressHealth has raised USD 1.5 million in Series A funding led by Gray Matters Capital with participation from existing investor, Unitus Seed Fund. The Bengaluru-based company, which runs school-based neighbourhood clinics and school health programs, will use the investment to expand the model to other schools in Bangalore. AddressHealth has reached more than 100,000 children through on-site services and screening programs to identify health issues and provided early intervention to prevent them from suffering as young adults.

ClearTax raises USD 2 million from FF Angel and Sequoia Capital

Financial technology startup Defmacro Software, which owns and operates online tax returns filing platform ClearTax, has raised USD 2 million from FF Angel. The company will use the proceeds from the round to launch a slew of consumer-focused tax-saving products, including mutual funds and other equity-linked saving schemes.

Piramal Fund Management invests USD 63.4 million in Lodha's Mumbai project

Piramal Fund Management Pvt. Ltd has invested USD 63.4 million in a central Mumbai project constructed by Lodha Developers Pvt. Ltd through the structured debt route. The investment is towards the construction of premium residences in a project called Lodha Azzuro with more than 500,000 square feet of saleable area. The project, 40% of which is already sold, is under construction.

Dr Reddy's buys 6 OTC brands from US-based Ducere Pharma

Dr Reddy's Laboratories has forayed into branded consumer health products segment in the US market by acquiring six over-the-counter (OTC) brands from Ducere Pharma for an undisclosed amount. The brands acquired include Doan's, Bufferin, Nupercainal ointment, Cruex nail gel, comtrex and myoflex. Dr Reddy's will build upon the sales and marketing efforts for these brands and continue to focus on their expansion into existing and new market channels.