



MARKET MOVEMENT

Major Indices	May 27, 2016	June 03, 2016	% Change	Change
BSE Sensex	26,653.60	26,843.03	0.71	
NSE Nifty	8,156.65	8,220.20	0.77	

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- Cabinet approves India-Qatar pact on cooperation and assistance in Customs
- India, Morocco launch Chamber of Commerce to boost trade
- Cabinet approves setting up of India Post Payments Bank
- India & USA signs MOU to enhance cooperation
- Government allows candidates from private sector to work in CPSEs

Cabinet approves India-Qatar pact on cooperation and assistance in Customs

The Union Cabinet has given its approval to the signing of a bilateral agreement between India and Qatar on cooperation and mutual assistance in Customs matters. It will help in the availability of relevant information for the prevention and investigation of Customs offences. The pact is also expected to facilitate trade and ensure efficient clearance of goods traded between the two countries.

India, Morocco launch Chamber of Commerce to boost trade

India and Morocco have jointly launched a trade body to boost bilateral commercial engagements. The setting up of the India-Morocco Chamber of Commerce and Industry (IMCCI) is an indication of the growing importance of commercial engagement between the two countries. The bilateral trade between the two countries stood at USD 1.26 billion in 2015 with Indian exports forming roughly 25% of the trade volume.

Cabinet approves setting up of India Post Payments Bank

The Union Cabinet has given its approval for the setting up of the India Post Payments Bank (IPPB) as a public limited company under the Department of Posts, with 100% Government of India equity. The total expenditure involved in this project is USD 120 million. The IPPB will obtain banking licence from RBI by March 2017 and by September 2017 its services will be available across the country through 650 payments bank branches, linked post offices and alternative channels.

India & USA signs MOU to enhance cooperation

A Memorandum of Understanding (MoU) has been signed between the Government of India and the Government of the United States of America to enhance cooperation on energy security, clean energy and climate change. These activities are intended to increase incentives for innovation including research and development, and voluntary and mutually-agreed technology transfer, as well as the deployment of clean energy technologies in both countries, contribute to a global effort to curb the rise in greenhouse gas emissions and enhance resilience to the impacts of climate change.

Government allows candidates from private sector to work in CPSEs

The government has approved a proposal to allow candidates from the private sector to work in Central Public Sector Enterprises (CPSEs) for a period of five years. CPSEs would benefit by the skill-sets and domain expertise of those coming from the state public sector enterprises as well the private sector. The amendment will also provide a wider pool of professionals for selection for senior positions.

INDUSTRY WATCH

- April core sector output rises 8.5%
- Warehousing demand of e-commerce companies rise to 22% in 2015
- India's FDI inflow increases by 16.5% in March
- New premium of life insurers up 51% in April at USD 1.2 billion
- 1,780 km rail lines commissioned, 6,000 km highways built in 2015-16

April core sector output rises 8.5%

Core sector production growth in April accelerated the fastest in 17 months at 8.5%. Infrastructure sectors - coal, crude oil, natural gas, refinery products, fertilisers, steel, cement and electricity together have a 38% weight in the index of industrial production (IIP). The gain in core sector was driven by strong refinery output, which grew 17.9%. Electricity production rose 14.7%.

Warehousing demand of e-commerce companies rise to 22% in 2015

E-commerce has emerged as one of the main drivers for warehouse realty demand across the country as the share of the sector rose from a meager 2% of the total warehousing demand in 2012, to around 22% during 2015. Approximately 2 million sq.ft. of warehousing space was taken up by e-commerce firms in 2015. Office space demand from e-commerce firms witnessed a 170% year-on-year growth, from 0.7 million sq. ft. in 2014 to 2 million sq. ft. in 2015

India's FDI inflow increases by 16.5% in March

Foreign Direct Investment (FDI) into India increased by 16.5% to USD 2.4 billion in March 2016 as against USD 2.1 billion in the same month of last year. For the entire 2015-16 fiscal, the inflows grew by 29% to USD 40 billion as against USD 30.9 billion in 2014-15. The services segment attracted the highest investments of USD 6.8 billion followed by computer hardware and software (USD 5.9 billion), trading business (USD 3.8 billion) and automobile industry (USD 2.5 billion). India received USD 13.7 billion overseas inflows from Singapore, followed by Mauritius (USD 8.3 billion), the US (USD 4.2 billion), the Netherlands (USD 2.6 billion) and Japan (USD 2.6 billion).

New premium of life insurers up 51% in April at USD 1.2 billion

New premium collection of life insurers grew 51% to USD 1.2 billion in April this year. The figure in April last year stood at USD 0.8 billion. Of the total 24 life insurers, the private sector companies registered a rise of 24.2% to USD 317 million in first month of the 2016-17 fiscal. In the same month of 2015-16, they had generated new premium of USD 255 million.

1,780 km rail lines commissioned, 6,000 km highways built in 2015-16

Government has commissioned 1,780 km of rail lines and also completed over 6,000 km of highways in 2015-16 period. 1,730 km of rail links have also been electrified in 2015-16. The railway sector had received a capital investment of over USD 14 billion in the last fiscal. This represents a massive increase of 65% over the previous year, and is the highest-ever investment in railways in one year.

CORPORATE HIGHLIGHTS

- **Titagarh Wagons forms JV with French firm Matiere**
- **Droom raises USD 30 million from a consortium of Japanese and Chinese investors**
- **Reliance Industries unit to invest USD 16 million in NetraDyne**
- **Cremica Food Industries raises USD 15 million**
- **Aster DM Healthcare buys 25% in Ramesh Hospitals**

Titagarh Wagons forms JV with French firm Matiere

Titagarh Wagons Ltd has formed a Joint Venture (JV) with France's Matiere SAS for manufacturing metallic and modular bridges in India. The JV will also market its products in the neighbouring territories. Titagarh Wagons Limited already has an existing business of manufacture and sale of bailey bridges - portable prefabricated truss-bridges, initially designed for use by military engineering units to bridge gaps up to 200 feet in a single span. Titagarh Wagons Limited is the only company in the private sector with necessary license for manufacturing bailey bridges in India.

Droom raises USD 30 million from a consortium of Japanese and Chinese investors

Online marketplace for used automobiles and auto services Droom has closed a USD 30 million funding round. The Series B round of equity financing has been led by Singapore-based investor Beenext , and Japanese incubator and venture capital firm Digital Garage. This follows the USD 15 million raised by the company from venture capital firm Lightbox and Beenos in July 2015.

Reliance Industries unit to invest USD 16 million in NetraDyne

Reliance Industrial Investments & Holdings, a unit of Reliance Industries, is investing USD 16 million in compulsory convertible preferential shares of US-based technology startup NetraDyne. NetraDyne looks into visual-based analytics and works in industries such as drones, automotive and healthcare. It is in advanced stages of product development and yet to start commercial operations.

Cremica Food Industries raises USD 15 million

Cremica Food Industries Ltd, a Ludhiana-based food products company, has raised USD 15 million from Rabo Equity Advisors, investment advisors for India Agri Business Fund II (IABF-II), for divestment of a minority stake to the fund. The funding will be used to expand its distribution network to 120,000 outlets in three years from 40,000 at present, making it a pan-India company from a primarily North India based company.

Aster DM Healthcare buys 25% in Ramesh Hospitals

Dubai-based Aster DM Healthcare has bought India Venture Advisors' nearly 25% in Vijayawada-headquartered Ramesh Hospitals for about USD 16 million, taking its total holding in the multispecialty chain to about 33%. Aster DM had raised nearly USD 205 million from private equity funds for its India growth plan, has also committed to invest about USD 30 million in Ramesh Hospitals over 12-18 months to turn it into its majority-owned subsidiary.