



MARKET MOVEMENT

Major Indices	November 11, 2016	November 18, 2016	% Change	Change
BSE Sensex	26,818.82	26,150.24	(2.49)	
NSE Nifty	8,296.30	8,074.10	(2.67)	

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- **Bhutan signs new trade pact with India**
- **Government approves USD 920 million highway projects in 8 states**
- **Cabinet approves constitution of special committee for inter-linking of rivers**
- **India, ADB sign USD 500 million loan pact for Ganga bridge in Bihar**
- **USD 15 million grant disbursed by government under capital goods scheme**

Bhutan signs new trade pact with India

India and Bhutan have signed an agreement on trade, commerce and transit that aims to enhance trade between the two countries through trade facilitation, cutting down documentation and adding additional exit/entry points for Bhutan's trade with other countries. The new bilateral Trade Agreement aims to enhance trade between the two countries through trade facilitation by improving procedures, cutting down on documentation and adding additional exit/entry points for Bhutan's trade with other countries.

Government approves USD 920 million highway projects in 8 states

Government has approved 12 highway projects worth USD 920 million in eight states including Uttar Pradesh and West Bengal. Most of the 476-km projects are under engineering, procurement and construction (EPC) mode for augmenting highways. The projects are in Manipur, Nagaland, Arunachal Pradesh, Maharashtra, Goa, West Bengal, Uttarakhand and Uttar Pradesh. Of the 12 projects, nine are in EPC mode, two in hybrid annuity and the remaining one in OMT (operate-maintain-transfer) mode.

Cabinet approves constitution of special committee for inter-linking of rivers

Union Cabinet has approved the constitution of a 'special committee for inter-linking of rivers' in compliance with a Supreme Court order, a move that will help in monitoring "precious" projects to be carried out under its National Perspective Plan, 1980. The status-cum-progress report of the special committee will be submitted bi-annually for information of Cabinet to facilitate "faster and appropriate" decisions in the interest of the country.

India, ADB sign USD 500 million loan pact for Ganga bridge in Bihar

Asian Development Bank (ADB) and India have signed a USD 500-million loan agreement to build a 9.8 km long road bridge across the Ganga river to improve transport connectivity between north and south Bihar. Along with ADB's loan and USD 900,000 in technical assistance to improve bridge operation and management, the Bihar government will provide support equivalent to USD 215 million and the project is expected to be completed by the end of December 2020.

USD 15 million grant disbursed by government under capital goods scheme

Around USD 15 million have been disbursed so far by the government as grant under the Scheme for Enhancement of Competitiveness of the Capital Goods Sector. In September 2014, government launched the scheme, with an estimated outlay of USD 141 million, to make the Indian capital goods sector globally competitive. The Government has approved 20 proposals from among those received (under the scheme) so far.

INDUSTRY WATCH

- **Tea production in India increases by 18.7% during September**
- **FDI in services sector grows to USD 5.3 billion during April-September**
- **Iron ore exports rise to 7.5 million tonnes in April-September**
- **Cargo traffic at India's top ports up 6.3% in April-October**
- **Fuel demand surges 6.7% in October**

Tea production in India increases by 18.7% during September

The estimated tea production during the month of September stood at 184.60 million kg, an increase of 29.14 million kg (18.7%) over the corresponding period. This was due to favourable ambient temperature as well as sufficient and good distribution of rainfall. North India tea production has increased by 27.48 m.kg (20%) while South India increased by 1.66 m.kg (9%). Production in Assam increased by 12.26 m.kg while West Bengal increased by 14.42 m.kg. Tamil Nadu increased by 0.37 m.kg., while Kerala increased by 1.50 m.kg.

FDI in services sector grows to USD 5.3 billion during April-September

FDI inflows into the services sector increased by over two and a half times to USD 5.3 billion in the April-September period of the current fiscal. The sector, which includes banking, insurance, outsourcing, R&D, courier and technology testing, had received Foreign Direct Investment (FDI) worth USD 1.46 billion during April-September 2015. With growth in FDI in important sector like services, overall foreign inflows in the country rose by 30% to USD 21.62 billion during the first half of 2016-17.

Iron ore exports rise to 7.5 million tonnes in April-September

Exports of iron ore have grown to 7.5 million tonnes (MT) in April-August 2016, an estimated three fold jump over last year, led mainly by a spike in demand from China. Overall iron ore production saw a 26% increase in April-Sept 2016 over last year with re-opening of mines closed earlier. In volume terms, domestic iron ore production went to 84 MT in April -September 2016 and is on track to post a significant increase this year over production of 66.85 MT in 2015-16.

Cargo traffic at India's top ports up 6.3% in April-October

Cargo traffic at India's top 12 ports went up by 6.27% to 370.04 million tonnes during April-October 2016, compared to the same period a year ago. These ports, under the control of the Centre, had handled 348.21 million tonnes (MT) of cargo during April-October period of the previous fiscal. The growth in the traffic has been driven by a number of proactive measures that include mechanisation of terminal, augmenting infrastructure and improving the turnaround time.

Fuel demand surges 6.7% in October

Fuel demand surged 6.7% in October after declining in September, aided by a sharp rise in petrol and diesel consumption. The fuel consumption rose 7.8% in the seven months through October this year. In October, the demand for all oil products rose to 16.5 million metric tonnes (MMT) from 15.5 MMT a year ago.

CORPORATE HIGHLIGHTS

- **Wheels India ties up Spain's Fluitecnik to make components for wind turbines**
- **Future Consumer to enter JV with UK wholesaler Booker Group**
- **IFMR Capital raises USD 25 million from Eight Roads Ventures**
- **Sun Pharma inks pact for malaria project in Mandla**
- **Essel Group acquires two road assets from KNR Constructions, Patel Engineering**

Wheels India ties up Spain's Fluitecnik to make components for wind turbines

Wheels India Ltd, a part of TVS Group and one of the leading suppliers of wheels to commercial vehicles, has tied up with Spanish firm Fluitecnik SA for manufacturing hydraulic components used in wind turbines. The company expects the prospects for the energy component business to remain strong with increased windmill installations in the country, following a renewable energy friendly environment.

Future Consumer to enter JV with UK wholesaler Booker Group

Future Consumer Ltd enters in an equal Joint Venture (JV) with the UK's largest wholesaler, Booker Group, to expand and develop the latter's cash-and-carry business in India. Future Consumer is investing USD 7.5 million in Booker India Pvt. Ltd. The Joint Venture (JV) will now quickly scale operations to set up 60-70 stores in the next 3-4 years. Each cash-and-carry store on average will have a distribution reach of 3,500 retailers and a business potential of USD 9 million to 10.6 million per store per annum.

IFMR Capital raises USD 25 million from Eight Roads Ventures

IFMR Capital, which helps financial institutions serving poor people raise funds, has received USD 25 million in funding from Eight Roads Ventures, the proprietary investment arm of Fidelity International Ltd. This is Chennai-based IFMR Capital's second round of institutional funding. The company raised USD 29 million from impact investment fund Leapfrog Investments in March 2014. The fresh round of investment will help IFMR Capital grow its existing business and explore other opportunities across new products and sectors.

Sun Pharma signs pact for malaria project in Mandla

Sun Pharma has announced the signing of a tri-party agreement between Indian Council of Medical Research, Government of Madhya Pradesh and Foundation for Disease Elimination and Control of India (FDEC- India) to launch the malaria-free India demonstration project in Mandla district of Madhya Pradesh. FDEC-India has been established by Sun Pharma as part of its corporate social responsibility initiative.

Essel Group acquires two road assets from KNR Constructions, Patel Engineering

Essel Infra Projects has agreed to acquire two road projects from a Joint Venture (JV) between Hyderabad-based KNR Constructions and Patel Engineering for an enterprise value of USD 128.7 million. Both the assets are operational annuity based Build-Operate-Transfer (BOT) assets awarded by National Highways Authority of India. The transaction is subject to certain conditions precedent including lenders and NHAI approvals and is expected to close within next 2-3 months.