



MARKET MOVEMENT

Major Indices	September 30, 2016	October 07, 2016	% Change	Change
BSE Sensex	27,865.96	28,061.14	0.70	
NSE Nifty	8,611.15	8,697.60	1.0	

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- Cabinet approves MoU with AARDO for rural development
- IT Ministry approves 9,000 seats for call centres in small towns
- Cabinet approves setting up of country's first medical park
- 250 agricultural markets in 10 states linked with e-agri market
- Government approves USD 250 million highway projects across 8 states

Cabinet approves MoU with AARDO for rural development

Cabinet has approved the signing of a Memorandum of Understanding (MoU) between India and the African Asian Rural Development Organization (AARDO) for capacity building programmes in the field of rural development. The MoU for the period 2015 - 2017 is being signed under which capacity building programmes for AARDO member countries will be organized every year during the period at various Institutions of Excellence in India.

IT Ministry approves 9,000 seats for call centres in small towns

IT Ministry has given its in-principal approval for around 9,000 seats in business process outsourcing (BPO) units across several small cities of India. More than 50 companies will set up BPO operations at 60 locations in 18 states and 2 union territories, including Varanasi, Unnao, Patna, Amravati, Dhule, Siliguri, Cuttak, Dalsinghsarai and Muzaffarpur. The Centre under its BPO promotion scheme will provide financial support for total of 48,300 seats to be set up across country with total outlay of USD 74 million.

Cabinet approves setting up of country's first medical park

Giving a push to local production of hi-end medical equipment, the government has approved PSU HLL Lifecare to sub-lease over 300 acres of land in Chennai. This will be country's first medical devices manufacturing park that will be set up through a Special Purpose Vehicle (SPV) with shareholding of HLL at 50%.

250 agricultural markets in 10 states linked with e-agri market

Government has integrated 250 agricultural markets (or mandis) in ten states with the electronic national agriculture market (e-NAM) in the first phase. The integration of these mandis to e-platform will help increase farmers income in the long run. So far, 153,992 tonnes of agriculture produce worth USD 63 million has been transacted on e-NAM platform. As many as 160,229 farmers, 46,688 traders and 25,970 commission agents have been registered on the e-NAM platform at present.

Government approves USD 250 million highway projects across 8 states

Government has approved approx. USD 250 million worth of highway projects in eight states. Of the 8 projects, 5 will be undertaken on the engineering, procurement and construction (EPC) mode. The states covered by the projects cleared are Andhra Pradesh, Tripura Sikkim, Meghalaya, Uttar Pradesh, Maharashtra, Assam and Nagaland.

INDUSTRY WATCH

- Two-wheeler sales rise in September
- Top fund houses post healthy AUM growth
- Core sector output up 3.2% in August
- Cumulative solar installations in India record 8.6 GW
- Cabinet allows ONGC Videsh to buy 11% stake in Russia's JSC Vankorneft

Two-wheeler sales rise in September

Two-wheeler sales grew sharply in September as companies increased dispatches anticipating strong demand during the ongoing festive season. Domestic two-wheeler sales were at 25,000 units as against 190,000 units in the same month last year, up 33.62%. Motorcycle sales rose 35.9% to 122,000 units in September as compared to 90,393 units in the same month a year ago.

Top fund houses post healthy AUM growth

Assets under management (AUM) of mutual funds climbed to a record of around USD 242 billion during the quarter ended September. AUM grew 12% from USD 218 billion the previous quarter amid a sharp rally in the equities market and softening of yields in the bond market. For the

first time, two Mutual Fund houses (ICICI Prudential MF and HDFC MF) crossed the USD 30 billion mark.

Core sector output up 3.2% in August

India's core sector output rose 3.2% in August due to sharp rise in steel production and a pickup in cement. Steel production rose 17% to a 37-month high, aided by the low base of last year, while cement output was up 3.1% compared with a 1.4% rise in July. April-August core sector growth was 4.5% compared with 2.4% in FY16. Annual infrastructure output grew 3.2% in August.

Cumulative solar installations in India record 8.6 GW

Cumulative solar installations in India have reached 8.6 gigawatt (GW) till September 2016. This calendar year, installations are expected to touch 4.8 gigawatt while installations so far have been 3.8 gigawatt. Out of the 8.6 GW installed so far, Tamil Nadu, Rajasthan, Gujarat and Andhra Pradesh have had significant activity and account for 59% of total installations.

Cabinet allows ONGC Videsh to buy 11% stake in Russia's JSC Vankorneft

Cabinet has allowed ONGC Videsh Ltd (OVL) to acquire 11% stake in Russian oil company JSC Vankorneft from Rosneft Oil Co. (Rosneft) for USD 930 million. This will provide 3.2 million metric tonnes of oil equivalent to OVL by 2017. It will also provide an opportunity to Indian public sector Oil and Gas companies to acquire new technologies from Rosneft.

CORPORATE HIGHLIGHTS

- **Ventureast raises USD 85 million to invest in tech start-ups**
- **Orient Cement to buy two cement assets from Jaypee Group for USD 295 million**
- **BP Plc gets licence to set up 3,500 petrol pumps in India**
- **Intas Pharma to buy Teva's UK, Ireland generics businesses**
- **Manali Petro acquires UK-based Notedome Limited for USD 18 million**

Ventureast raises USD 85 million to invest in tech start-ups

Venture capital firm Ventureast has achieved the first close of about USD 85 million for its sixth fund, Ventureast Proactive Fund II. The firm will raise another USD 65 million as part of the fund by end of March 2017. The firm has been on the road to raise funds for the past 18 months.

Orient Cement to buy two cement assets from Jaypee Group for USD 295 million

Orient Cement Ltd, part of the CK Birla Group has agreed to acquire a 74% stake in Jaiprakash Associates Ltd's unit Bhilai Jaypee Cement Ltd for an enterprise value of USD 219 million, in a move to expand business to newer states. It will acquire the 2 million tonne per annum Nigrie Cement grinding unit in Madhya Pradesh from another Jaypee Group company, Jaiprakash Power Ventures Ltd, for an enterprise value of USD 75 million.

BP Plc gets licence to set up 3,500 petrol pumps in India

British energy firm BP Plc has received a licence from the government to set up 3,500 petrol pumps in India. Between April and August this year, sales of petrol and diesel grew 14% and 6% respectively as more than 7% economic growth powered demand for more fuels by vehicles and factories in the country. The marketing rights for transportation fuel, including petrol, diesel and jet fuel, are given to a firm investing or proposing to invest approx. USD 300 million in exploration and production, refining, pipelines or terminals in the country.

Intas Pharma to buy Teva's UK, Ireland generics businesses

Intas Pharmaceuticals Ltd has agreed to buy Actavis UK Ltd and Actavis Ireland Ltd from Israeli generic drug maker Teva Pharmaceutical Industries Ltd for an enterprise value of approx USD 770 million in an all-cash transaction. The acquisition will expand Intas's UK manufacturing presence with the addition of the Barnstaple site in North Devon and more than doubles Intas's pan-European operations, with revenues exceeding USD 500 million.

Manali Petro acquires UK-based Notedome Limited for USD 18 million

Manali Petrochemicals Ltd (MPL) has announced the acquisition of Notedome Limited, based in UK for a total consideration of about USD 18 million. The acquisition was done through its UK Subsidiary, AMCHEM Speciality Chemicals UK Limited. Notedome manufactures neuthane polyurethane cast elastomers that find application in the automotive sector. The move will facilitate MPL's progress in new technologies and strengthen the efficiencies of existing systems and applications.