



MARKET MOVEMENT

Major Indices	October 07, 2016	October 14, 2016	% Change	Change
BSE Sensex	28,061.14	27,673.60	(1.38)	
NSE Nifty	8,697.60	8,583.40	(1.31)	

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- **Government approves USD 292 million road link project**
- **India, Russia sign pact to set up 25 irradiation centers**
- **Cabinet clears revision in ethanol prices for blending in petrol**
- **Cabinet approves Exim Bank's MoU with New Development Bank**
- **India, Hungary to sign MoU on water management**

Government approves USD 292 million road link project

The Cabinet Committee on Economic Affairs (CCEA) has approved the construction of a new link between Sahibganj bypass in Jharkhand to Manihari bypass in Bihar. This also includes a four-lane bridge on river Ganga. The cost is estimated to be approx. USD 292 million, including cost of land acquisition, resettlement and rehabilitation and other pre-construction activities. The total length of the road to be developed is approximately 22 km. The job will be executed in hybrid annuity mode.

India, Russia sign pact to set up 25 irradiation centers

India and Russia have signed a pact to set up 25 integrated infrastructure centers for irradiation treatment of perishable food items to improve shelf life and cut post-harvest losses. At least 7 centers will be set up in Maharashtra, with the first centre near Shirdi to be ready next year. Perishable items ranging from flowers to fish will be treated there on a commercial scale. The 7 centers are likely to be established in Sindhurg, Satara, Solapur, JNPT, Jalana, Nagpur and Pune in the first phase.

Cabinet clears revision in ethanol prices for blending in petrol

To provide price stability and remunerative prices to ethanol suppliers, the government has approved a new pricing mechanism for ethanol supply to public sector oil marketing companies (OMCs) to carry out the Ethanol Blended Petrol (EBP) programme. In line with the Cabinet decision, for the next sugar season, the administered price of ethanol for the EBP programme will be USD 0.58/ litre during the ethanol supply period from December 1, 2016 to November 30, 2017.

Cabinet approves Exim Bank's MoU with New Development Bank

The Union gave its nod to Exim Bank of India for entering into a Memorandum of Understanding (MoU) on general cooperation with the New Development Bank (NDB), a multilateral development bank established by the BRICS nations. This MoU will be signed through the BRICS Interbank Cooperation Mechanism, which was established by five banks from the BRICS nations to enhance trade and economic relations among the BRICS countries and enterprises. There is no financial implication involved with signing of the MoU.

India, Hungary set to sign MoU on water management

The union cabinet has approved a MoU to be signed between Ministry of Water Resources, River Development and Ganga Rejuvenation, Government of India and the Ministry of Interior, Government of Hungary, for mutual cooperation on a wide range of issues in the field of water management. It will enhance bilateral cooperation in the field of water management, on the basis of equality and mutual benefits. This will encourage the development of bilateral relations between public and private organisations concerning water resources of both the countries.

INDUSTRY WATCH

- **Chhattisgarh registers fivefold increase in mineral revenue**
- **Direct tax collections till Sept grows 8.95 per cent to USD 49 billion**
- **Green certificate sales up 58 per cent to 1.74 million in April-September**
- **September retail inflation touches a 13-month low**
- **116.9 per cent Growth in Foreign Tourists Arrival on E-Tourist Visa in September-2016**

Chhattisgarh registers fivefold increase in mineral revenue

Revenue from minerals in Chhattisgarh has increased fivefold over the past decade. The mineral-rich state contributes 16 per cent of the minerals produced in India. The state is endowed with

28 types of minerals, which include diamond, coal, iron ore, limestone, bauxite, dolomite, tin ore, etc. Chhattisgarh earned revenue of USD 553.58 million in the financial year 2015-16. The revenue earned was almost five times the revenue collected by the state from minerals in 2005-06. The production of black gold tops the list. The state has 16.4 per cent of the total deposits of coal and possesses 16.2 per cent of the total iron ore deposits in the country.

Direct tax collections till Sept grows 8.95 per cent to USD 49 billion

Direct tax collections during the six months ended September show net collections at around USD 49 billion. This was 8.95 per cent more than the net collections for the corresponding period last year. The April-September direct tax collection, which includes corporate and personal income tax, showed that 38.65 per cent of the Budget Estimate of direct taxes for 2016-17 has been achieved.

Green certificate sales up 58 per cent to 1.74 million in April-September

Sales of Renewable Energy Certificates (RECs) rose about 58 per cent to 1.74 million in the first half of this financial year, indicating increasing compliance of renewable purchase obligations (RPOs). Power distribution companies as well as open access and captive consumers are under obligation to buy RECs from renewable energy producers under RPO mandated by central and state regulatory commissions. RECs are aimed at providing an easier avenue for various entities, including power distribution companies, to meet their green energy obligations.

September retail inflation touches a 13-month low

Consumer Price Index (CPI)-based inflation for the month of September fell to 4.31 per cent, the lowest in 13 months. This has come on the back of a fall in food inflation, especially of pulses and vegetables. CPI inflation for August was 5.05 per cent; for September last year, 4.41 per cent. The previous lowest retail inflation rate was the month before that, in August 2015, at 3.41 per cent.

116.9 per cent Growth in Foreign Tourists Arrival on E-Tourist Visa in September-2016

A total of 68,809 foreign tourists arrived in September 2016 on e-Tourist Visa as compared to 31,729 during the month of September 2015 registering a growth of 116.9 per cent. UK (15.5 per cent) continues to occupy top slot followed by USA (12.4 per cent) and China (9.0 per cent) amongst countries availing e-tourist visa facility During September 2016. The facility of e-Tourist Visa has been made available by the Government of India to the citizens of 150 countries, arriving at 16 International Airports in India.

CORPORATE HIGHLIGHTS

- **SsangYong signs deal with China firm for JV**
- **Germany's Tristone Flowtech sets up its first plant in India**
- **ONGC signs pact to buy stake in GSPC's KG basin block**
- **RCom to sell 51 per cent in tower assets to Brookfield for USD 1.6 billion**
- **Carlyle-backed PNB Housing Finance gets SEBI nod for IPO**

SsangYong signs deal with China firm for JV

Mahindra & Mahindra-controlled South Korean sports utility vehicle major SsangYong Motor Company has signed a letter of intent with the Shaanxi Automobile Group of China for a 50:50 Joint Venture (JV). The two companies would establish a manufacturing plant in China. The first phase of construction will establish a plant with an annual capacity of 150,000 units by the end of 2019 and the second phase will involve an expansion of the facilities to 300,000 units per annum.

Germany's Tristone Flowtech sets up its first plant in India

Germany-based Tristone Flowtech Group has set up a manufacturing plant in Pune. This plant has both manufacturing and warehousing capabilities. It will host the future surge tank production and engine cooling and air charge hose production units for the Indian market. The company plans to start production at the plant in the fourth quarter in 2017. It has allocated around 2.5-3 million euros for setting up its manufacturing facility and kick-starting operations. This investment will be made over the next two years, depending on the business orders.

ONGC signs pact to buy stake in GSPC's KG basin block

Oil and Natural Gas Corporation (ONGC) has signed a preliminary agreement to buy an operating stake in the Gujarat State Petroleum Corporation (GSPC)'s KG basin gas block. The MoU has a dispute resolution mechanism wherein any differences over issues such as valuation or natural gas reserves would be referred to a three-member committee comprising outside experts.

RCom to sell 51 per cent in tower assets to Brookfield for USD 1.6 billion

Anil Ambani-led Reliance Communications Ltd. (RCom) has signed a non-binding term sheet with Canadian Brookfield Infrastructure Group (Brookfield) to sell a majority 51 per cent stake of its nationwide tower assets and related infrastructure for cash consideration of USD 1.6 billion, making it one of the largest FDI in infrastructure sector. RCom will continue as an anchor tenant on the tower assets, for its integrated telecommunications business.

Carlyle-backed PNB Housing Finance gets SEBI nod for IPO

PNB Housing Finance Ltd has received approval from capital markets regulator Securities and Exchange Board of India (SEBI) to float its Initial Public Offering (IPO). The mortgage lender is a unit of state-run Punjab National Bank, which holds a 51 per cent stake in the company. After the IPO, the state-run bank will continue to hold about 35-37 per cent of the mortgage lender, according to the prospectus filed with SEBI. Private equity firm Carlyle Group owns the remaining 49 per cent stake in PNB Housing.