



MARKET MOVEMENT

| Major Indices | October 14, 2016 | October 21, 2016 | % Change | Change |
|---------------|------------------|------------------|----------|---|
| BSE Sensex | 27,673.60 | 28,077.18 | 1.45 |  |
| NSE Nifty | 8,583.40 | 8,693.05 | 1.27 |  |

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- **India, Brazil sign pacts to deepen cooperation in agriculture, cattle genomics**
- **Three MoUs in hydrocarbons sector signed between India and Russia**
- **MMRDA clears two metro lines at an investment of USD 2.28 billion**
- **RBI eases norms for foreign investment in start-ups**
- **Government plans USD 3.1 billion boost for India's solar factories**

India, Brazil sign pacts to deepen cooperation in agriculture, cattle genomics

India and Brazil have finalised the text of a bilateral investment agreement and signed agreements to deepen cooperation in fields of cattle genomics and agriculture. Brazil has also offered to help India in ethanol production, while sought India's help in the manufacture of affordable generic medicines. Six task forces are to be constituted to explore cooperation in sectors such as defence production, ship building, agriculture and food processing.

Three MoUs in hydrocarbons sector signed between India and Russia

Three MoUs have been signed between India and Russia in the hydrocarbons sector. These are: MoU between Engineers India Ltd and Gazprom on the joint study of a gas pipeline to India and other possible areas of cooperation; Cooperation Agreement in the area of Education and Training between ONGC Videsh Ltd and Rosneft Oil Company, and a Programme of Cooperation in the field of oil and gas for the period 2017-18. Both India and Russia have agreed to further work towards enhancing their bilateral engagement in the hydrocarbon sector to make it a two way trade.

MMRDA clears two metro lines at an investment of USD 2.28 billion

Mumbai Metropolitan Region Development Authority (MMRDA) has cleared two metro rail line projects worth USD 2.28 billion. The projects include the 24 km long Thane-Bhiwandi-Kalyan Metro line with 17 stations entailing an investment of USD 1.27 billion, and the 14.5-km long Lokhandwala-Jogeshwari-Vikhroli-Kanjurmarg Metro line with 13 stations (investment of USD 1.01 billion). MMRDA will implement these two projects on cash transfer basis.

RBI eases norms for foreign investment in start-ups

Reserve Bank of India (RBI) has eased norms for foreign investment in start-ups. Any Foreign Venture Capital Investors (FVCI) which is registered under the Securities and Exchange Board of India (SEBI) Regulations can invest in equity or equity linked instrument or debt instrument issued by an Indian 'start-up' irrespective of the sector in which the start-up is engaged. They will not require any approval from RBI. Any FVCI can also invest in equity or equity linked instrument or debt instrument issued by an Indian company whose shares are not listed on a recognised stock exchange at the time of the issue.

Government plans USD 3.1 billion boost for India's solar factories

Government is planning a USD 3.1 billion package of state aid for India's solar panel manufacturing industry. This is under the 'Prayas' initiative (Pradhan Mantri Yojana for Augmenting Solar Manufacturing), a central-government plan designed to lift India's installed photovoltaic capacity as well as to create an export industry. In addition to meeting its own energy targets, India wants to emulate industrial developments in neighboring China, where solar manufacturers have created a world-leading export industry.

INDUSTRY WATCH

- **India's air traffic grows 23%**
- **Cargo traffic handled by major ports increases by 13.45 million tonnes**
- **M&A activity up 125% with deals worth USD 32.5 billion**
- **Solar projects see a surge in corporate funding in Q3**
- **Domestic steel consumption growth sees good improvement**

India's air traffic grows 23%

India's domestic air traffic grew 23.5% in September continuing its two-year run of double digit growth. Nearly 8.23 million passengers flew in September 2016 compared with 6.66 million in September 2015. The passenger load factor (flight occupancy) in the month of September 2016 has almost remained constant compared to previous month primarily due to the end of tourist

season. SpiceJet ran its flights 93.5% full followed by GoAir (89.4%), AirAsia India (82.8%), IndiGo (82.1%), Jet Airways (77.5%), Air India (79%) and Vistara (72.7%).

Cargo traffic handled by major ports increases by 13.45 million tonnes

Cargo traffic at India's 12 major ports stood at 447.05 million tonnes during the period between April-December 2015 as compared with 433.5 million tonnes handled during April-December 2014, an increase of 13.45 million tonnes. During the first nine months of 2015-16, Murmugao port recorded the highest growth in traffic at 35.3% followed by Chidambaranar (19.3%), Haldia Dock Complex (13.8%), Kolkata Dock System (12.5%), Paradip Port (5.2%), Kandla Port (4.3%), Cochin Port (3.1%), Kamarajar Port (1.5%), Mumbai Port (0.5%) and JNPT Port at 0.3%.

M&A activity up 125% with deals worth USD 32.5 billion

September quarter has witnessed Mergers and acquisitions (M&A) deals worth USD 16.6 billion as against USD 5.7 billion in the corresponding period in 2015. In the first nine months of 2016, M&A activity rose 125% with 445 deals worth USD 32.5 billion compared with USD 14.5 billion worth of deals in the same period a year earlier.

Solar projects see a surge in corporate funding in Q3

Solar projects in India secured major financing deals as corporate funding of such projects rebounded in the third quarter of the current financial year, rising to nearly USD 3 billion in 45 deals globally against USD 1.7 billion in 32 deals in the second quarter. Solar downstream companies raised USD 273 million in eight deals compared to USD 112 million in seven deals in Q2 2016.

Domestic steel consumption growth sees good improvement

Domestic steel consumption growth has seen good improvement in September with 7.6% year on year growth at 6.7 million tonne (mt). Finished steel production for the month of September stood at 8 million tonne (mt), a growth of over 10.5% year on year (y-o-y) basis.

CORPORATE HIGHLIGHTS

- **Ashok Leyland launches India's 1st electric bus**
- **Diageo opens new business services centre**
- **Lupin in pact with Boehringer Ingelheim to market diabetic drug**
- **Wipro acquires US firm Appirio for USD 400 million**
- **Online furniture rental start-up Furlenco raises USD 30 million**

Ashok Leyland launches India's 1st electric bus

Ashok Leyland Ltd launched its Circuit series electric bus, the country's first such indigenously made vehicle. Specifically developed for Indian road conditions, the zero-emission vehicle will be offered on multiple platforms and got benefitted from a subsidy under the government's Faster Adoption and Manufacturing of (Hybrid) and Electric Vehicles (FAME) scheme. It can travel 150 km on a single charge. Ashok Leyland plans to sell close to 50 electric buses in the current fiscal and around 200 units next year.

Diageo opens new business services centre

Diageo, the world's largest spirit maker, has announced opening of a new business service centre called Diageo Business Services India (DBSI) in Bengaluru. Diageo aims to increase its workforce to 1,000 from 100 currently. The centre will be located at the Karle Town Special Economic Zone (SEZ) and will focus on finance and accounting, business intelligence, analytics and data services for Diageo group.

Lupin in pact with Boehringer Ingelheim to market diabetic drug

Lupin Ltd, India's third largest drugmaker has formed an alliance with Germany's Boehringer Ingelheim GmbH to co-market the latter's diabetic drug empagliflozin in India. As per the agreement, Lupin will market and sell empagliflozin under a separate brand name Gibtulio which will be promoted by Lupin's specialty field force. Boehringer Ingelheim will continue to sell empagliflozin under the brand name Jardiance through its existing sales force and network.

Wipro acquires US firm Appirio for USD 400 million

Wipro has acquired US-based consultancy firm Appirio, a services firm with a large offshore firm that helps corporates implement cloud applications such as SalesForce. Appirio has an India offshore base in Jaipur, where the majority of its 1,200-strong workforce is located. Its customers include eBay, Facebook, Home Depot, Sony PlayStation, IBM and Cardinal Health.

Online furniture rental start-up Furlenco raises USD 30 million

Online furniture rental start-up Furlenco (Kieraya Furnishing Solutions Pvt. Ltd) has raised USD 30 million in a Series B funding round led by existing investor LightBox Ventures. Furlenco raised USD 15 million in equity from LightBox Ventures, with participation from new investor Axis Capital, a Hong Kong-based fund, and high net-worth individuals. The USD 15 million in debt came from banks such as HDFC Bank Ltd, Kotak Mahindra Bank Ltd and Axis Bank Ltd, apart from venture debt firm IntelleGrow and undisclosed family offices.