



MARKET MOVEMENT

Major Indices	September 23, 2016	September 30, 2016	% Change	Change
BSE Sensex	28,668.22	27,865.96	(2.79)	
NSE Nifty	8,831.55	8,611.15	(2.49)	

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- **Government Decides to Raise EPFO Investment in ETF from 5% to 10%**
- **Government to set up agencies for aquaculture and fisheries in coastal states**
- **India - Singapore MoU on Industrial Property Cooperation approved**
- **PSCDCL signs MoU with EBTC**
- **Cabinet clears USD 340 million project for CBEC's GST integration**

Government Decides to Raise EPFO Investment in ETF from 5% to 10%

Government has decided to raise the Employees Provident Fund (EPF) investment in Exchange Traded Funds (ETF) from present 5% to 10%. The Employees Provident Fund Organisation (EPFO) is currently investing 5% of the total accretion in ETF. For the financial year 2015-16, EPFO has invested USD 996 million in ETF. This investment has yielded a good return of 13.24%.

Government to set up agencies for aquaculture and fisheries in coastal states

India's resurgent seafood industry has got a major impetus with the Union Commerce and Industry Ministry recently announcing a host of measures, including setting up of agencies for aquaculture and fisheries in all coastal states and export incentives for marine products under Merchandise Exports from India Scheme (MEIS). Under the MEIS, the government currently allocates USD 3.33 billion annually for exports.

India - Singapore MoU on Industrial Property Cooperation approved

Union Cabinet has given its approval to the Memorandum of Understanding (MoU) in the field of Industrial Property Cooperation between Department of Industrial Policy and Promotion

under the Ministry of Commerce & Industry and the Intellectual Property Office of Singapore, Ministry of Law, Government of Singapore. The MoU will enhance bilateral cooperation activities in the arena of Industrial Property Rights of Patents, Trademarks and Industrial Designs. It is intended to give a boost to innovation, creativity and technological advancement in both regions.

PSCDCL signs MoU with EBTC

Pune Smart City Development Corporation (PSCDCL) has signed a two-year Memorandum of Understanding (MoU) with the European Business and Technology Centre (EBTC) to leverage European Smart City solutions for the Pune Smart City project. The EBTC has been identified as the 'Knowledge and Technical Cooperation Partner for the Pune Smart City Project'. The EBTC is a not-for-profit organisation, that promotes and helps customise European technologies and solutions through various programs to suit local requirements.

Cabinet clears USD 340 million project for CBEC's GST integration

Cabinet has cleared a USD 340 million IT project Saksham of the Central Board of Excise and Customs (CBEC), which will help integrate CBEC's system with the GST network before the rollout in April next year. The implementation strategy for the project will be to ensure readiness of CBEC's IT framework by April, 1, 2017, when GST is to be introduced.

INDUSTRY WATCH

- **Paint output for 2015-16 grows 5% to 4.25 million tonnes**
- **India emerges as top importer of Scotch whisky**
- **Growth in Masala bonds observed with the raising of USD 1.24 billion**
- **Big surge in M&A deals in August 2016**
- **Karnataka government chooses 8 tech startups to encourage tourism**

Paint output for 2015-16 grows 5% to 4.25 million tonnes

During 2015-16, the overall production of paints in India was estimated to be 4.25 million tonnes, registering a 5% growth over the previous year. In value terms, the paint industry grew by approximately 8% to USD 6.6 billion of which the decorative paints share was 74% and the balance being industrial. The growth in industrial paint category is dependent on the performance of the automotive industry consuming around 45% of the industrial paints.

India emerges as top importer of Scotch whisky

India has emerged as one of the world's fastest growing Scotch whisky import markets with value up 28% to 43 million pounds. According to the Scotch Whisky Association, the amount of

Scotch whisky sold overseas increased for the first time since 2013, largely due to massive jump in shipment value. India has established itself as the third-biggest export market for Scotch at 41 million bottles, marking a 41% increase in sales volumes, after France (90.9 million bottles) and the US (53.1 million bottles).

Growth in Masala bonds observed with the raising of USD 1.24 billion

Masala bonds are growing with USD 1.24 billion raised by three Indian companies and a bank. Another USD 3 to 4 billion will be issued over the next year. Adani Transmission, HDFC, NTPC and Indiabulls have issued these bonds through which Indian entities can raise money in global markets with investors bearing the currency risk. Funds raised through any other instrument in the overseas market place the currency risk on the issuer of the bonds.

Big surge in M&A deals in August 2016

Corporate India has announced merger and acquisition (M&A) deals worth USD 2.5 billion in August, up 3-fold year-on-year. These have been driven largely by positive macro- economic factors and government's reforms initiatives. Banking and financial sector led the deal activity contributing over 30% of total deal value driven by the USD 777 million HDFC Life's merger with Max Life creating India's largest private sector life insurance company with market value of USD 10 billion. There were over 300 M&A transactions contributing around USD 22 billion in value from January-August, spread evenly spread across cross-border and domestic M&As.

Karnataka government chooses 8 tech startups to encourage tourism

The Karnataka state government picked up eight technology startups based on the technology-based solutions they suggested to take Karnataka's tourism sector to the next level. The Tourism department has announced varied sums of assistance totalling to about USD 0.3 million to the chosen startups to work on their ideas. The government conducted an open challenge inviting proposals from early-stage startups to crowd source innovative solutions and products from startups working in the area of tourism.

CORPORATE HIGHLIGHTS

- **Apollo Hospitals, KOS group sets up network of rehab facilities in India**
- **Pidilite ties up with US-based WD-40 Company for multi-purpose spray**
- **RBL Bank gets USD 50 million from UK's CDC Group**
- **Jet Airways joins hands with Air France-KLM, US carrier Delta Air Lines**
- **Bank of India sells 18% stake in insurance JV to partner Dai-ichi Life**

Apollo Hospitals, KOS group sets up network of rehab facilities in India

Apollo Hospitals Enterprise Ltd, India's largest healthcare provider, has entered the medical rehabilitation services business in a Joint Venture with Italy-based KOS group. The equal joint venture, ApoKos, opened its first 64-bedded medical rehabilitation facility in Hyderabad, built at an estimated cost of USD 3 million.

Pidilite ties up with US-based WD-40 Company for multi-purpose spray

Pidilite Industries, the adhesives and industrial chemicals manufacturer, has entered into a sales and distribution tie-up with the US-based WD-40 Company, which makes household chemicals (including its signature lubricant brand WD-40) that solve problems in workshops, factories and homes around the world. The American firm has joined with Pidilite Industries, the maker of Fevicol adhesive, to distribute and sell its WD-40 Multi-Use product in India.

RBL Bank gets USD 50 million from UK's CDC Group

Private sector lender RBL Bank Ltd has raised USD 50 million from CDC Group Plc, a UK-based development finance institution. The bank had raised USD 183 million in its Initial Public Offering (IPO) in August. The Tier-II capital is expected to help the lender strengthen its capital base to meet future requirements and comply with guidelines set by the Reserve Bank of India (RBI).

Jet Airways joins hands with Air France-KLM, US carrier Delta Air Lines

Jet Airways has formed an extensive transatlantic venture with Air France-KLM and US carrier Delta Air Lines. Jet Airways is now charting its own global expansion plans exclusive of those in alliance with its powerful shareholder partner, Etihad Airways. Air France-KLM and Delta, along with Alitalia, have the world's biggest transatlantic pact offering more than 250 daily flights to the Americas.

Bank of India sells 18% stake in insurance JV to partner Dai-ichi Life

Bank of India (BOI) has sold 18% stake in the insurance Joint Venture (JV) Star Union Dai-ichi Life Insurance Company Ltd (SUD) to its Japanese partner. The shareholding of DILIC will be 44% up from 26% upon completion of the transaction after receiving necessary statutory/regulatory approvals. With this, the shareholding of BOI has come down to 30% from 48% in SUD while Union Bank of India will continue to hold 26%.