



MARKET MOVEMENT

Major Indices	December 02, 2016	December 05, 2016	% Change	Change
BSE Sensex	26,230.66	26,747.18	1.97	
NSE Nifty	8,086.80	8,261.75	2.16	

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- Cabinet approves MoU between India and UK to support Ease of Doing Business
- India and Israel agree to enhance cooperation in science and technology
- Government revises package of incentives for North-East industries
- Cabinet nod to expand mandate of DMIC trust fund
- India and Vietnam to sign civil nuclear pact

Cabinet approves MoU between India and UK to support Ease of Doing Business

Cabinet has given its approval to Memorandum of Understanding (MoU) between India and United Kingdom (UK) to support Ease of Doing Business in India. The MoU will facilitate exchange of Government officials from both countries, facilitate sharing of best practices and technical assistance and enhanced implementation of reforms. It will facilitate establishment of wide-ranging and flexible mechanisms for cooperation in the development of automation, new documentation and information systems in the field of Intellectual Property.

India and Israel agree to enhance cooperation in science and technology

India and Israel have decided to enhance their cooperation in the field of science and technology, including establishment of a research and development fund with an investment of USD 20 million. The joint projects will be awarded to the partnering academic and R&D laboratories from the two countries during the next year. As a part of these projects, special initiatives will be taken to support women in science and technology through new joint programmes in this area and student exchanges will be encouraged in order to connect the next generation and sustain the pipeline of future collaboration.

Government revises package of incentives for North-East industries

Government has approved a revised package of incentives and concessions for industry in the North-East states to provide special boost to the small and medium scale enterprises in the region. The new package has put an upper limit on the capital investment subsidy for the new units at USD

0.74 million per industrial unit in the manufacturing sector and USD 0.44 million in the services sector. Government has also decided to provide the interest subsidy scheme only on term loans of 5-10 years maturity taken to finance capital expenditure for setting up or expansion of industrial units.

Cabinet nod to expand mandate of DMIC trust fund

Government has approved the expansion of the mandate of Delhi Mumbai Industrial Corridor Project Implementation Trust Fund and re-designated it as National Industrial Corridor Development & Implementation Trust for integrated development of industrial corridors. The National Industrial Corridor Development & Implementation Trust (NICDIT) has been accorded permission to utilise financial assistance already sanctioned and an additional amount of USD 236.41 million has been sanctioned within the extended period up to 31 March, 2022.

India and Vietnam to sign civil nuclear pact

India is to sign a landmark civil nuclear pact with Vietnam. The Indo-Vietnam Inter-Governmental Framework Agreement in the field of civil nuclear cooperation will entail capacity building and training of Vietnamese nuclear scientists by India. It will also provide assistance to improve safeguard measures of nuclear installations in Vietnam. Sri Lanka is the only other developing country with which India has signed a civil nuclear pact.

INDUSTRY WATCH

- **Government simplifies labour laws, technology upgradation for textiles sector**
- **India imported 87 per cent solar cell imports from China during April-September**
- **Auto majors post double digit sales growth in November**
- **MoUs for 5 second generation ethanol plants signed at Petrotech 2016**
- **Government scraps import duty on wheat to ease supply, check prices**

Government simplifies labour laws, technology upgradation for textiles sector

Government has approved a set of reforms, including simplified labour laws and technology upgradation for the textiles sector. The permissible overtime up to 100 hours per quarter has been increased in made-ups (towels, bed sheets etc.) manufacturing sector besides making employees' contribution to Employee Provident Funds (EPF) optional for employees earning less than USD 223 per month. Government will provide production incentive through enhanced Technology Upgradation Fund Scheme (TUFS) subsidy of additional 10 per cent for made-ups similar to what is provided to garments based on additional production and employment after three years.

India imported 87 per cent solar cell imports from China during April-September

India imported solar and photovoltaic cells worth about USD 826 million from China in the first six months of the current fiscal, which is over 87 per cent of the country's total such imports. India's total imports of these cells were worth USD 950 million, including USD 826 million from China, constituting 87 per cent, during the April-September period of 2016-17. In 2014-15, the proportion of solar and photovoltaic cells imports from China was 73.5 per cent of the total imports at USD 603 million.

Auto majors post double digit sales growth in November

Auto majors Maruti Suzuki India, Toyota and Renault posted double digit sales growth in November. Mahindra, Ford and Honda saw sales drop as walk-ins at dealerships declined on account of demonetisation of high value currency. Volkswagen also reported robust sales during last month. Maruti Suzuki's domestic sales stood at 1,26,325 units, up 14.2 per cent as against 1,10,599 units in November 2015. The sales of its mini segment cars including Alto and WagonR increased by 8.1 per cent to 38,886 units as compared to 35,981 units in the same month a year ago.

MoUs for 5 second generation ethanol plants signed at Petrotech 2016

Praj Industries Ltd has signed MoUs with Indian Oil Corporation Ltd (IOCL) and Bharat Petroleum Corporation Ltd (BPCL) for setting three second generation (2G) biomass-to-ethanol plants (two for IOCL and one for BPCL). Institute of Chemical Technology (ICT), Mumbai, has also signed MoUs with BPCL and HPCL for technology transfer for setting up of 2G biomass ethanol bio-refineries at Bina (MP) and Bhatinda (Punjab) respectively.

Government scraps import duty on wheat to ease supply, check prices

The government has scrapped the 10 per cent import duty on wheat with immediate effect in the face of an imminent shortage of the cereal this year. While the move should technically result in checking a rise in domestic prices of wheat, the actual price movement would depend on factors such as the Food Corporation of India's ability to release stocks in the market, private imports and global prices.

CORPORATE HIGHLIGHTS

- **DineEquity signs pact with Kwal for 20 IHOP restaurants in India**
- **IFC invests USD 67.16 million for 29 per cent stake in Apollo Health**
- **KPIT acquires auto engineering services firm in Germany**
- **China's biggest carmaker, to invest USD 1 billion in India**
- **Strides Shasun to acquire Perrigo API India for Rs 100 cr**

DineEquity signs pact with Kwal for 20 IHOP restaurants in India

DineEquity Inc has signed a franchisee partnership deal with food services firm Kwal's Group, to bring in breakfast chain IHOP in the country. India is the nineteenth country where DineEquity, franchisor of Applebee's Grill and Bar and IHOP restaurants, is setting up presence. The first of the stores is expected to come up in early 2017. The firm and its local partner expect to infuse USD 15 million worth of investments and set up 20 stores across Indian cities over the next decade.

IFC invests USD 67 million for 29 per cent stake in Apollo Health

International Finance Corp. (IFC) has invested around USD 67 million for a 29 per cent stake in Apollo Health and Lifestyle Ltd (AHLL), a unit of Apollo Hospitals Enterprise Ltd. IFC investment would fund the proposed expansion plans across all formats of AHLL for the next two years, after which the company will look for a further round of funding. AHLL is also open for acquisitions to expand its network more aggressively.

KPIT acquires auto engineering services firm in Germany

KPIT has completed an agreement to invest in a Germany-headquartered automotive engineering services company. With this partnership, KPIT will be able to enhance and bring in next generation offerings in the key growth area of e-mobility. This will help in strengthening their leadership position in the automotive engineering domain and enhancing their presence in Germany.

China's biggest carmaker, to invest USD 1 billion in India

China's biggest carmaker which own brands like Maxus, MG, Roewe and Yuejin, plans to invest USD 1 billion in India manufacturing unit. It would look to manufacture products that would suit local tastes and can also be exported. SAIC has products across categories and owns the brands Maxus, MG, Roewe and Yuejin. It also has a number of joint ventures with General Motors, Iveco, Skoda Auto and Volkswagen.

Strides Shasun to acquire Perrigo API India for USD 15 million

Strides Shasun has signed "definitive agreements to acquire the entire shareholding in Perrigo API India Pvt Ltd (Perrigo API India) for USD 15 million. Perrigo API India's USFDA approved API facility at Ambarnath (Maharashtra) is to be used for "captive consumption and will augment the company's resources to handle high velocity of new product development and commercial launches in the formulations portfolio.