

MARKET MOVEMENT

Major Indices	August 24, 2018	August 31, 2018	% Change	Change
BSE Sensex	38,251.80	38,645.07	1.02	↑
NSE Nifty	11,557.10	11,680.50	1.06	↑

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- **World Bank signs USD 250 million loan agreement with Government**
- **Cabinet approves signing of MoU with Bulgaria in tourism sector**
- **Government, EESL and World Bank signs USD 300 million pact**
- **Government allows commercial operation of drones from December**
- **Cabinet approves additional funding of USD 90 million for IPPB**

World Bank signs USD 250 million loan agreement with Government

World Bank has signed USD 250 million loan agreement with Government to improve the performance of its electricity distribution sector in Rajasthan. Electricity distribution utilities (DISCOMs) in Rajasthan provide electricity to about 9.5 million customers. Loan has a grace period of 3 year and a maturity of 21 years.

Cabinet approves signing of MoU with Bulgaria in tourism sector

Cabinet has approved the signing of an Memorandum of Understanding (MoU) between India and Bulgaria to expand bilateral cooperation in the tourism sector, exchange information and data related to tourism and encourage cooperation between tourism stakeholders, including hotels and tour operators. It will also support film tourism for promoting the two countries as attractive tourism destinations.

Government, EESL and World Bank signs USD 300 million pact

Government, World Bank and EESL has signed a USD 220 million loan agreement and a USD 80 million guarantee pact to support energy efficiency programme in India. Programme will help in scaling up the deployment of energy saving measures in residential and public sectors,

strengthen EESL's institutional capacity, and enhance its access to commercial financing. Loan has a 5-year grace period, and a maturity of 19 years.

Government allows commercial operation of drones from December

Government has announced that drones can now be used for commercial purposes for a height up to 400 feet but within the line of sight of the person using it from December 2018. Under the policy, drones have been categorised in five different categories based on weight from less than 250 gms to more than 150 kgs and their end use. Categories of drones like - micro, small, medium and large need to be registered.

Cabinet approves additional funding of USD 90 million for IPPB

Cabinet has approved additional funding of USD 90 million for India Post Payments Bank (IPPB) to provide financial services to those living in rural areas. USD 56.5 million funds are for technology costs and USD 33.5 million are required for human resource costs. IPPB is not authorised to offer lending and insurance services, it will act as an agent of Punjab National Bank to provide loans and has tied up with Bajaj Alliance Life Insurance for life insurance products. It will provide services to about 170 million postal savings account holders.

INDUSTRY WATCH

- **Aluminium production grows 12% in April- July**
- **Microfinance sector registers a growth of around 39% in loan portfolio**
- **Eight core sectors grow by 6.6% in July**
- **FDI grows 23% in April-June quarter this fiscal**
- **15.55 million tonnes of fertilisers sold via PoS in April-July**

Aluminium production grows 12% in April- July

Aluminium production in the country grew 12.5% from 0.58 million tonnes (mt) in April-July 2017 to 0.65 mt during April-July 2018. Growth was led by state run National Aluminium Company (Nalco) with 0.14 mt and Vedanta with 0.18 mt production which exceeded the assigned targets. In 2017-18, aluminium production by the primary producers totalled to 3.38 mt, growing 18% over FY17 and registering 11% CAGR (compounded annual growth rate) between FY11 and FY18.

Microfinance sector registers a growth of around 39% in loan portfolio

Microfinance sector registered a growth of around 39% on a year-on-year (y-o-y) basis. Total outstanding loan amount is USD 20.9 billion at the end of June 2018. Gross bank credit has increased by 11.07% in June on y-o-y basis, while microcredit grew by 48.3%. Portfolio at risk (loans that have at least one payment for more than 30 days overdue) is 3.2% in June 2018 against 10.7% in June 2017.

Eight core sectors grow by 6.6% in July

Eight core sectors grew by 6.6% in July 2018 compared to 2.9% in July 2017. Output of coal, refinery products, fertiliser and cement grew by 9.7%, 12.3%, 1.3% and 10.8% respectively in July 2018. During the April-July period of the current fiscal, these 8 sectors grew by 5.8% as against 2.6% in the year ago period.

FDI grows 23% in April-June quarter this fiscal

Foreign Direct Investment (FDI) grew by 23% to USD 12.75 billion during the April-June quarter of 2018-19 against USD 10.4 billion in April-June 2017-18. Key sectors that received maximum foreign investment during the first quarter of the fiscal include services (USD 2.43 billion), trading (USD 1.62 billion), telecommunications (USD 1.59 billion), computer software and hardware (USD 1.4 billion), and power (USD 969 million).

15.55 million tonnes of fertilisers sold via PoS in April-July

15.55 million tonnes of fertilisers were sold during April-July of this fiscal through the point of sale (PoS) devices installed at retail shops under the Direct Benefit Transfer (DBT) scheme. Among fertilisers, sale of locally manufactured urea was 7 million tonnes and imported urea was 1.34 million tonnes during the April-July period of this fiscal.

CORPORATE HIGHLIGHTS

- **Escorts signs Joint Venture pact with Tadano for high capacity mobile cranes**
- **IBM ties up with tech firms for solutions to tackle natural disasters**
- **L&T Construction receives USD 197 million irrigation project in MP**
- **Greaves cotton buys EV maker ampere**
- **Eicher Trucks & Buses gets order for 350 trucks from Bangladesh**

Escorts signs Joint Venture pact with Tadano for high capacity mobile cranes

Escorts is setting up a Joint Venture (JV) with Japan's Tadano to manufacture rough terrain and truck mounted cranes in the country. Tadano will hold 51% stake in the JV and Escorts will own 49% stake. JV would cater to an expanding market in the 20-80 tonnage category. Production by the JV is expected to commence at Faridabad in the third quarter of this financial year.

IBM ties up with tech firms for solutions to tackle natural disasters

IBM has tied up with technology based organisations, including Invest India, Wipro, and IT body Nasscom for 'Call for Code' initiative to build global solutions for disaster management. IBM intends to harness this potential by giving the developers access to tools, technologies, free code, and training with experts that will strengthen the efforts towards mitigating disaster.

L&T Construction receives USD 197 million irrigation project in MP

Larsen & Toubro (L&T) has got an order worth USD 197 million for the execution of the Kundalia Irrigation Project - Right Bank in Madhya Pradesh (MP). Project envisages to provide water for micro-irrigation to more than 64,000 hectares of cultivable land in the command area of Rajgarh district of Madhya Pradesh by lifting water from Right Bank of the Kundalia reservoir on the Kalisindh River.

Greaves cotton buys EV maker ampere

Greaves Cotton has entered a definitive agreement to acquire majority stake of 67% in Electric Vehicle (EV) maker Ampere Vehicles for USD 11 million in the first phase. Following this, Greaves Cotton may acquire another 13% in a span of three years "at its discretion" for USD 10.7 million. Ampere Vehicles will turn into a subsidiary of Greaves after the stake sale.

Eicher Trucks & Buses gets order for 350 trucks from Bangladesh

Eicher Trucks & Buses, a part of VE Commercial Vehicles (VECV) has received an order for 350 heavy duty trucks from Bangladesh Road Transport Corporation (BRTC). Delivery of the order is expected within 8 months. There are 29 touch points where trucks and buses can be serviced and over 220 retail points where parts are available in Bangladesh.