



MARKET MOVEMENT

Major Indices	November 02, 2018	November 09, 2018	% Change	Change
BSE Sensex	35,011.65	35,158.55	0.41	
NSE Nifty	10,553.00	10,585.20	0.30	

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- Cabinet clears strategic sale of government equity in DCIL
- RBI eases rules for infrastructure firms
- Cabinet approves proposal to manage 6 AAI airports under PPP
- Government approves norms USD 70 million 'Operation Greens' scheme
- World Bank signs USD 172 million loan agreement with Andhra Pradesh

Cabinet clears strategic sale of government equity in DCIL

Cabinet has approved strategic sale of government stake in Dredging Corporation of India Ltd (DCIL) to consortium of four ports namely Vishakhapatnam Port Trust, Paradeep Port Trust, Jawaharlal Nehru Port Trust and Kandla Port Trust. Government currently holds 73.44% in DCIL. Co-sharing of facilities between the company as well as ports shall lead to savings for ports. This would further provide opportunities for larger investment in DCIL as integration with ports shall help in effective vertical linkage in the value chain.

RBI eases rules for infrastructure firms

Reserve Bank of India (RBI) has liberalised the rules governing External Commercial Borrowing (ECB) for infrastructure firms in terms of both tenure and the hedging requirements in yet another sign of reconciliation of differences between the regulator and the government. Minimum tenor for borrowing through the ECB route is reduced to three years from five years and the tenure required for exemption from mandatory hedging is cut to five years from 10 years.

Cabinet approves proposal to manage 6 AAI airports under PPP

Cabinet has approved a proposal of operation, management and development of Ahmedabad, Jaipur, Lucknow and three other airports under Public Private partnership (PPP). The three other aerodromes are those at Guwahati, Thiruvananthapuram and Mangaluru. This would be done through Public Private Partnership Appraisal Committee (PPPAC).

Government approves norms USD 70 million 'Operation Greens' scheme

Government has approved guidelines for USD 70 million 'Operation Greens' programme to support production and processing of tomato, onion and potato to check price volatility through promoting farmer producers organisations, agri-logistics, processing facilities and professional management. Pattern of assistance will comprise of grants-in-aid at the rate of 50% of the eligible project cost in all areas, subject to maximum USD 70 million per project.

World Bank signs USD 172 million loan agreement with Andhra Pradesh

World Bank has signed an agreement with the government of Andhra Pradesh to extend a loan of USD 172.2 million to help turn farming in Andhra a financially viable activity. Andhra Pradesh Integrated Irrigation and Agriculture Transformation Project (APIIATP) covers 1,000 small-scale community-based irrigation systems spread over an area of 90,000 hectares in over 1,000 villages spread across 12 climate vulnerable districts of Andhra Pradesh.

INDUSTRY WATCH

- Plastic exports rises 31% in H1
- US withdraws duty benefits on Indian exports worth USD 75 million
- Passenger vehicle sales rises 1.55% in October
- Export norms for select goods used in jewellery-making are relaxed
- Used car market registers 50% growth in a year

Plastic exports rises 31% in H1

Plastics exports grew 31.6% on year at USD 4.59 billion in the first half of the fiscal compared with USD 3.48 billion a year ago. Growth in plastics export has been primarily supported by higher shipment of plastic raw materials, plastic sheet, film, plates, and packaging materials. Exports to China, Vietnam and Mexico witnessed high growth rates ranging between 70-140% in the April-September period.

US withdraws duty benefits on Indian exports worth USD 75 million

Indian exports of certain musical instruments, leather, textiles, dairy, chemicals and processed fruits and vegetables to the US will no longer have duty-free access. Annual exports of these items to the US is estimated at about USD 75 million. Benefits are given to developing countries under the Generalized System of Preferences. India is the largest beneficiary and gets USD 5.6 billion duty concessions through the programme.

Passenger vehicle sales rises 1.55% in October

Passenger vehicle sales grew 1.55% to 284224 units in October. Commercial vehicle sales rose 24.82% to 87,147 units last month. Two-wheeler sales grew by a robust 17.23% to 2,053,497 units. Vehicle sales across categories increased 15.33% to 2,494,426 units.

Export norms for select goods used in jewellery-making are relaxed

Government has relaxed norms for exports of select items, such as push backs and locks, used in jewellery-making. Certain norms of the foreign trade policy is amended to allow export of findings containing gold of three carats, and above, up to a maximum limit of 22 carats only from domestic tariff area and Export Oriented Unit (EOU) /Electronic Hardware Technology Park (EHTP)/Software Technology Park (STPs)/Bio Technology Park (BTP) units. Earlier, exports of any kind of gold jewellery or related items containing gold of 8 carats, and above, up to a maximum limit of 22 carats were permitted.

Used car market registers 50% growth in a year

Used car market has registered a growth rate of 40-50% this year, largely driven by many SUV launches this year. With new models rolling out, their earlier versions see a sharp drop in prices in the used car pool, making them bargain buys. Also, with every launch, more vehicles come into the used car market, which is a supply constrained business. It is also driven by the aspiration for new technology features such as automatic boot opening, screens inside cars and Bluetooth connectivity.

CORPORATE HIGHLIGHTS

- Patanjali enters branded apparel space
- Shriram properties raises USD 17.2 million from LIC Housing Finance
- L&T Construction receives USD 19 million order from Bengaluru Metro
- Welspun Enterprises receives USD 200 million road project in Maharashtra
- Midea announces USD 186 million new plant in Pune

Patanjali enters branded apparel space

Patanjali Ayurved has entered into the fast growing branded apparel segment through its brand 'Paridhan' and expects a sale of around USD 138 million next fiscal. Haridwar-based firm plans to open around 100 outlets of Paridhan by the end of this fiscal and have a network of around 500 stores by March 2020, mostly on franchise model. It has introduced three brands - Livfit, Aastha and Sanskar, targeting customers across all age groups.

Shriram properties raises USD 17.2 million from LIC Housing Finance

Shriram Properties has raised USD 17.2 million from non-banking financial arm of LIC Housing Finance to develop a residential project in Bengaluru. Funds will be used to construct Shriram Greenfield, a two-million sq ft residential project being developed across two phases in Whitefield, Bengaluru. Company has so far sold more than 75% of the inventory in the first and second phases.

L&T Construction receives USD 19 million order from Bengaluru Metro

Larsen & Toubro (L&T) construction arm has received orders worth USD 19 million from the Bangalore Metro Rail Corporation Limited (BMRCL). The work includes the supply and installation of telecommunication systems for Namma Metro's 27 stations. Stations, part of Metro's Phase II network, are located on four stretches such as Mysuru road - Kengeri, Kanakapura road - Anjanapura Township, Baiyappanahalli - Whitefield and Nagasandra - Bengaluru International Exhibition Centre.

Welspun Enterprises receives USD 200 million road project in Maharashtra

Welspun Enterprises has received a USD 200 million road project from PWD for upgradation of roads/two-laning of roads/ two-laning of roads with paved shoulder under Maharashtra Road Improvement Programme (MRIP) Package on Hybrid Annuity Mode (HAM) in Amravati. Project length is 352.15 km across 9 sub-packages.

Midea announces USD 186 million new plant in Pune

Chinese consumer durables firm Midea focuses to manufacture its products locally in the country by next year and is setting up a new facility in Pune at an investment of USD 186 million. New facility near Pune, with a technology park, will have three manufacturing units for home appliances, HVAC products and compressors and will also include a manufacturing facility for Carrier Midea India, a 60:40 Joint Venture (JV) between Midea and Carrier.