



MARKET MOVEMENT

Major Indices	February 23, 2017	March 3, 2017	% Change	Change
BSE Sensex	28,892.97	28,832.45	0.21	
NSE Nifty	8,939.50	8,897.55	0.47	

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- **India, ADB sign USD 375 million loan pact for industrial corridor**
- **Railways to offer discounted long term freight contracts, other incentives**
- **Orissa government withdraws tax benefits to IOC's Paradip refinery**
- **Peak GST rate to be pegged at 40 per cent**
- **Economic growth at 7 per cent in Q3**

India, ADB sign USD 375 million loan pact for industrial corridor

India and the Asian Development Bank (ADB) have signed a USD 375 million agreement for loans and grants for first phase of 2,500-kilometer long East Coast Economic Corridor (ECEC). ADB has approved loans comprising a USD 500 million multi-tranche facility to build key infrastructure in the four main centers along the corridor -- Visakhapatnam, Kakinada, Amaravati, and Yerpedu-Srikalahasti in Andhra Pradesh.

Railways to offer discounted long term freight contracts, other incentives

The ministry of railways is promoting private investment through the bidding of specific projects and forming of joint ventures with public sector undertakings. As part of an action plan termed Mini Budget, the railways has also announced turning 25 stations into 100 per cent digital stations. It has lined up a new long-term contract for major freight customers, which will provide assured cargo for the national carrier and also dedicated rakes for customers.

Orissa government withdraws tax benefits to IOC's Paradip refinery

In a big jolt to Indian Oil Corporation (IOC), the Odisha government has withdrawn tax incentives given to Paradip refinery in Orissa, making the company reconsider its plans to invest another USD

7.8 billion in the state. The withdrawal will cost USD 298 million to IOC this year and will progressively increase every year.

Peak GST rate to be pegged at 40 per cent

India has decided to peg the peak Goods and Services Tax (GST) rate at 40 per cent in the legislation instead of 28 per cent, giving it the flexibility to raise rates without having to reach out to Parliament. This is only an enabling provision and the highest rate levied on goods will still be 28 per cent (14 per cent central GST and 14 per cent state GST). The demerit and luxury goods will attract higher 28 rate plus cess. This provision will also allow the government to remove the cess at some stage and instead have a higher GST rate only, which will make for a neater GST.

Economic growth at 7 per cent in Q3

India's economy grew at a healthy 7 per cent in the third quarter of the current fiscal. The pace of growth did, however, slow from the growth of 7.4 per cent logged in the second quarter of the fiscal year. The Central Statistics Office retained its projection that the economy will grow 7.1 per cent in 2016-17, slowing from 7.6 per cent in the previous financial year.

INDUSTRY WATCH

- **USD 2.4 billion foreign exchange earned through tourism in January 2017**
- **FII's invest USD 1.5 billion in stock market in February**
- **SAIL achieves record export monthly volume of steel in a decade**
- **FDI inflow zooms 18 per cent to USD 46 billion in 2016**
- **India's February gold imports surged to 50 tonnes**

USD 2.4 billion foreign exchange earned through tourism in January 2017

Foreign Exchange Earnings (FEEs) during the month of January 2017 were USD 2.4 billion as compared to USD 2 billion in January 2016 and USD 1.8 billion in January 2015. The growth rate in FEEs in rupee terms during January 2017 over January 2016 was 17.8 per cent as compared to the growth of 13.0 per cent in January 2016 over January 2015.

FII's invest USD 1.5 billion in stock market in February

After pulling out massively from the Indian stock markets during the last quarter (October-December) of 2016, foreign institutional investors (FIIs) have turned active buyers again on the bourses. FIIs have invested about USD 1.5 billion in equities during February, the highest in the last five months.

SAIL achieves record export monthly volume of steel in a decade

Steel Authority of India Ltd (SAIL) achieved its best ever export monthly volume of steel in a decade in February 2017. A total of 0.10 million tonnes of steel was exported last month, which includes the first time shipment of CE marked plates from the New Plate Mill of SAIL's Rourkela Steel Plant to Europe. The other products exported include wire rods, hot rolled coils, billets and slabs. In the current year 2016-17, SAIL has already exported 0.68 million tonnes.

FDI inflow zooms 18 per cent to USD 46 billion in 2016

Foreign direct investment (FDI) in India grew 18 per cent during 2016 to touch USD 46 billion. The country attracted FDI of USD 39.3 billion in 2015. The main sectors which attracted the highest foreign inflows include services, telecom, trading, computer hardware and software and automobile. Bulk of the FDI came in from Singapore, Mauritius, the Netherlands and Japan.

India's February gold imports surged to 50 tonnes

India's February gold imports surged to 50 tonnes, up by more than 82 percent from a year ago, on pent-up jewellery demands and wedding purchases. India's gold imports had fallen to 27.4 tonnes in February 2016 as buyers postponed purchases in anticipation of a reduction in the import duty in the budget at the time.

CORPORATE HIGHLIGHTS

- **CureFit buys health-food delivery firm Kristys Kitchen**
- **Wipro completes sale of EcoEnergy division**
- **Paytm E-Commerce becomes a unicorn with USD 200-million investment round**
- **Piramal Enterprises' SFG invests USD 44.7 million in Indo Shell**
- **Recruitment start-up Belong raises USD 10 million from Sequoia Capital, others**

CureFit buys health-food delivery firm Kristys Kitchen

Bangalore-based healthcare and fitness start-up, CureFit has acquired online health-food delivery company, Kristys Kitchen for an undisclosed amount of cash and stock deal. Backed by Kalaari Capital, Accel Partners and IDG Ventures, the company had raised USD 15 million in series-A round of funding last year in July. Later in August, CureFit acquired fitness centre brand Cult for USD 3 million.

Wipro completes sale of EcoEnergy division

Wipro, India's third largest software exporter has completed the USD 70 million sale of its EcoEnergy division to Chubb Alba, an indirect subsidiary of United Technologies Corporation (UTC). The impact of sale of EcoEnergy division is expected to reflect in the financials of Wipro for the quarter and year ending March 31, 2017.

Paytm E-Commerce becomes a unicorn with USD 200-million investment round

Paytm's e-commerce unit has become the latest Indian unicorn (a term for an unlisted company valued at over a billion dollars), after raising USD 200 million in a funding round led by Chinese e-commerce giant Alibaba. Alibaba's Singapore unit will invest USD 177 million into Paytm E-Commerce Pvt. Ltd., with the remaining USD 23 million from SAIF Partners.

Piramal Enterprises' SFG invests USD 44.7 million in Indo Shell

Piramal Enterprises Ltd's structured financing group has invested USD 44.7 million in Coimbatore-based auto component company Indo Shell Mould Ltd. The fund was raised as a structured debt through the transaction, which will help Indo Shell, refinance its bank debt.

Recruitment start-up Belong raises USD 10 million from Sequoia Capital, others

Recruitment start-up Belong, which helps companies hire people using technology, has raised USD 10 million in a funding round led by venture capital firm Sequoia Capital India to expand its client base and improve its product. Existing investor Matrix Partners also participated in the round.