



MARKET MOVEMENT

Major Indices	March 17, 2017	March 24, 2017	% Change	Change
BSE Sensex	29,648.99	29,421.40	(0.77)	
NSE Nifty	9,160.05	9,108.00	(0.57)	

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- **Special assistance for EAPs in Andhra Pradesh cleared**
- **MoU between India and Bangladesh on Aids to Navigation**
- **Cabinet approves four GST Bills**
- **Proposal for amendments to the NABARD Act 1981 approved**
- **Cabinet approves Indo-US MoU on partnership for Cyber Security**

Special assistance for EAPs in Andhra Pradesh cleared

The Centre has approved financial assistance for bifurcated Andhra Pradesh by way of special dispensation in funding of Externally Aided Projects (EAPs) and also the irrigation component of Polavaram project. The special assistance approved by the Cabinet will be provided to the state towards repayment of loan and interest for EAPs signed and disbursed during 2015-16 to 2019-20.

MoU between India and Bangladesh on Aids to Navigation

The Cabinet has signed a Memorandum of Understanding (MoU) on Aids to Navigation between the Directorate General of Lighthouses & Lightships, Ministry of Shipping, Government of India and the Department of Shipping, Government of Bangladesh. The MoU envisages cooperation between Bangladesh and India, including extending advice on lighthouses and beacons and on vessel traffic service and chain of automatic identification system.

Cabinet approves four GST Bills

The Union Cabinet has approved four crucial Goods and Services Tax (GST) Bills that will pave the way for the country to usher in its biggest-ever indirect tax reform by July 1, 2017. These four bills were the Central GST bill, Integrated GST bill, Union Territory GST bill and Compensation bill.

While the GST bills are ready to be presented before Parliament, the final operational rules and product and service rates have yet to be decided by the goods and services council.

Proposal for amendments to the NABARD Act 1981 approved

Union Cabinet has approved a proposal for amending National Bank for Agriculture and Rural Development Act (NABARD), 1981. Amendments enable raising the authorized capital of NABARD from roughly USD 745 million to approximately USD 4480 million and transfer of 0.4 per cent equity of Reserve Bank of India in NABARD amounting to USD 3 million to the Government of India. The proposed amendments in NABARD Act, include, certain other amendments including changes in long title and certain sections to bring Medium Enterprises and Handlooms in NABARD's mandate.

Cabinet approves Indo-US MoU on partnership for Cyber Security

The Union Cabinet has been apprised of the Memorandum of Understanding (MoU) signed between the Indian computer emergency response team under the Ministry of Electronics and Information Technology and the US Homeland Security Department on cooperation in the field of Cyber Security. The MoU intends to promote closer co-operation and exchange of information pertaining to the Cyber Security in accordance with the relevant laws, rules and regulations and on the basis of equality, reciprocity and mutual benefit.

INDUSTRY WATCH

- **Net forex reserves increase by USD 14.2 billion in April-December period**
- **Medical tourism in India increases by 2.6 times**
- **Exports register double-digit growth in February**
- **IIP bounces back in January, expands by 2.7 per cent**
- **India eases rules for old oil, gas blocks; to unlock USD 21 billion reserves**

Net forex reserves increase by USD 14.2 billion in April-December period

The country added USD 14.2 billion in foreign exchange reserves on the balance of payment basis during the first nine months of the outgoing financial year, which is marginally down from USD 14.6 billion accretion in the year-ago period. In the April-December period, current account balance decreased to USD 11.6 billion, while in the year-ago period it had stood at USD 21.8 billion. Capital account rose to USD 25.9 billion in the first nine months of the current financial year, while the same had risen to USD 36.4 billion in the year ago period.

Medical tourism in India increases by 2.6 times

The number of medical tourists has increased by 2.6 times in past three years. According to the data with Ministry of Tourism over 200,000 persons visited India for medical tourism in 2016. The number of medical tourists in India was 75,688 in 2014 which rose to over 137,000 in 2015 and over 201,000 in 2016. The government has also provided the right to the foreigner's registration officer to grant six months extension for stay in India depending on the medical requirements of the applicant.

Exports register double-digit growth in February

India's merchandise exports registered double-digit growth in February on the back of a 47 per cent rise in engineering goods and improved international demand. Exports grew by 17.5 per cent in February to USD 24.5 billion but a steeper increase in imports at 21 per cent widened the trade deficit to USD 8.8 billion from USD 6.5 billion in the year-ago period. This is the sixth consecutive month of an increase in exports this year but double digits were last seen in June 2014.

IIP bounces back in January, expands by 2.7 per cent

The Index of Industrial Production (IIP) rose 2.7 per cent in January from a year ago period. This was the second fastest monthly growth this financial year behind 5.7 per cent recorded in November. Industrial production had contracted 0.1 per cent in December. Capital goods leading with a 10.7 per cent rise in January, mining was up 5.3 per cent, manufacturing 2.3 per cent and electricity generation 3.9 per cent, all contributing to the IIP surge.

India eases rules for old oil, gas blocks; to unlock USD 21 billion reserves

India has approved a policy allowing extra time to contractors of old blocks to unlock oil and gas reserves of more than 426 million barrels, worth over USD 21 billion, as it seeks to cut its dependence on imports. The policy approved by the Union Cabinet will help companies including Cairn India and Oil and Natural Gas Corporation that are exploring blocks awarded before 1999. India imports about 80 per cent of its oil needs.

CORPORATE HIGHLIGHTS

- **Larsen Engineering wins USD 247 million contract from ONGC**
- **Flipkart gets USD 1 billion from Tencent, Microsoft at USD 11 billion valuation**
- **Nettle Infra to buy 21.6 per cent stake in Bharti Infratel**
- **Online freight aggregator Blackbuck raises USD 70 million**
- **IL&FS to exit JV with Chongqing Expressway**

Larsen Engineering wins USD 247 million contract from ONGC

L&T Hydrocarbon Engineering, a wholly owned subsidiary of Larsen & Toubro (L&T), has won a USD 247 million contract from ONGC. The contract encompasses engineering, procurement, construction, installation and commissioning for the project. The scope includes one new process platform having gas processing and compression facilities, three new well head platforms, 32 km pipeline and modification work on eight existing platforms in the Neelam field in western offshore basin in India, among others.

Flipkart gets USD 1 billion from Tencent, Microsoft at USD 11 billion valuation

India's largest e-commerce marketplace Flipkart has closed a USD 1 billion funding round with backing from Chinese internet giant Tencent and participation from Microsoft. This latest round of funding brings down the valuation of India's most highly valued startup to USD 11 billion from a previous high of USD 15 billion. While the round has been completed, the company has so far not disclosed any details on the investment.

Nettle Infra to buy 21.6 per cent stake in Bharti Infratel

Nettle Infrastructure Investment Ltd, a wholly-owned subsidiary of Bharti Airtel, plans to acquire 21.63 per cent stake or 400 million shares in Bharti Infratel Ltd for an estimated USD 1.89 billion. The transaction price would be at or around the market price prevailing on the date of acquisition, which would not be higher by more than 25 per cent of USD 4.74 per share. The resulting acquisition will bring down Bharti Airtel's stake in Infratel from 71.96 per cent to 50.33 per cent.

Online freight aggregator Blackbuck raises USD 70 million

Online freight aggregator Blackbuck has raised USD 70 million in fresh funding, led by US-based venture capital investor Sands Capital. The round also saw participation from existing investors such as Tiger Global, Accel Partners and Flipkart. Blackbuck, which is into inter-city freight sector, is reported to become the largest player in the market with 100,000 trucks.

IL&FS to exit JV with Chongqing Expressway

IL&FS is selling its 49 per cent stake in its joint venture with China's Chongqing Expressway Group, marking a premature end to its five year-old foray into the booming infrastructure development business in that country. The proposed sale is estimated to fetch as much as USD 170 million and has attracted interest from as many as 10 bidders comprising Chinese construction firms and toll road operators.