



MARKET MOVEMENT

Major Indices	March 31, 2017	April 07, 2017	% Change	Change
BSE Sensex	29,620.50	29,706.61	0.29	
NSE Nifty	9,173.75	9,198.30	0.27	

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- **State Bank of India signs MoU with CREDAI**
- **Cabinet approves pact on large-scale grid linking of clean energy**
- **Government approves transfer of HEC land to Jharkhand government**
- **Revised Air Services Agreement with Malaysia approved**
- **Cabinet approves establishment of CIRDAP unit in Hyderabad.**

State Bank of India signs MoU with CREDAI

State Bank of India (SBI) and real estate developers' body Confederation of Real Estate Developers Associations of India (CREDAI) have signed a Memorandum of Understanding (MoU) to jointly conduct various initiatives towards development of the realty sector in India. Each of them will leverage their individual strengths and collaborate in areas to promote housing for all. The MoU is meant to mobilise the credibility of the members and the reach of SBI to cater to both home loans and construction finance requirements of the real estate sector.

Cabinet approves pact on large-scale grid linking of clean energy

The Cabinet has approved signing of a pact between Forum of Regulators and National Associations of Regulatory Utility Commissioners for large-scale grid integration of renewable energy. The MoU envisages to promote information exchanges in the areas of renewable energy integration regulations and balancing using gas, storage, and demand-side approaches, energy imbalance markets. It will enhance the efforts of India's power system for better management of large-scale integration of renewable energy into the power grid.

Government approves transfer of HEC land to Jharkhand government

The Government has approved the transfer of 675.43 acres land belonging to Heavy Engineering Corporation (HEC) Limited at Ranchi to the Jharkhand government, which will help the loss-

making company raise around USD 110 million. The money raised will be utilised for liquidation of the firm's employee-related statutory dues. The transfer of land will also meet the requirements of Jharkhand government for its Smart City project and other development projects in the state capital.

Revised Air Services Agreement with Malaysia approved

The Union Cabinet has approved the revised Air Services Agreement (ASA) with Malaysia. The article related to 'intermodal services' have been added in the revised ASA that will permit air passengers and cargo to move through any intermodal transport from any point in the territory of other party. The clause on domestic codeshare and the articles on 'safety and security' have also been added in the revised ASA.

Cabinet approves establishment of CIRDAP unit in Hyderabad

Government has approved the establishment of a unit of the Centre on Integrated Rural Development for Asia and the Pacific (CIRDAP) at the National Rural Development Institute and Panchayati Raj (NIRD&PR) Hyderabad for exchange of best practices with other countries in the areas of rural development. The new centre will help NIRD&PR in networking with organisations specialised in rural development programmes, building institutional knowledge, exchanges of best practices with CIRDAP.

INDUSTRY WATCH

- **India becomes associate member of International Energy Agency**
- **Funds raised from institutional buyers touch 33-month high**
- **Digital transactions peak at USD 2.2 trillion in March**
- **India, UK to jointly invest USD 299 million in green energy sector**
- **Factory output in March grows fastest in 5 months**

India becomes associate member of International Energy Agency

India has joined the International Energy Agency (IEA) as an associate member; a development that makes the prestigious Paris-based body more relevant and reflects the country's move to the centre stage of the global energy dialogue. With India as a member, International Energy Agency now formally covers 70 per cent of the world's energy consumption. This increases the relevance of the IEA, India will now have a greater say in global energy issues.

Funds raised from institutional buyers touch 33-month high

Monthly fundraising through Qualified Institutional Placements (QIPs) hit 33-month high in March, as companies acted to grab the opportunity in a rising market. QIPs have mostly been raised by mid-cap and small-cap companies that have done well in stock performance over the past two years. Given the market rally, a number of companies believed it was a good time to raise funds, especially for expansion and restructuring. In March, Hindalco Industries, Yes Bank, Minda Industries and United Bank of India collectively raised USD 1296 million via QIP, highest figure in 33 months.

Digital transactions peak at USD 2.2 trillion in March

Digital transactions reached a peak in terms of overall value during March. The volume of digital transactions also rose in March and was the second highest in a month since the government announced demonetization of high value currency notes in November last year. Transactions worth about USD 2.2 trillion were conducted through digital modes such as credit/debit cards, unified payments interface (UPI), unstructured supplementary service data, prepaid payment instruments and mobile banking in March.

India, UK to jointly invest USD 299 million in green energy sector

India and the United Kingdom (UK) have jointly decided to invest up to USD 299 million in an India-UK fund to finance India's rapidly growing energy and renewables market. The fund aims to leverage private sector investment from London and is likely to raise around USD 623 million initially. Progress will be accelerated by starting the process of appointing a fund manager with early market engagement via the publication of a blueprint, with the aim to identify additional and complementary sectors for fund investments.

Factory output in March grows fastest in 5 months

India's manufacturing sector expanded at its fastest pace in five month during March, driven by strong growth in domestic as well as export work orders, reviving hopes of a faster economic activity after remonetisation. The Manufacturing Purchasing Managers' Index (PMI) -- an indicator of manufacturing activity -- increased to a five-month high of 52.5 in March from 50.7 in February as production and order books expanded at the quickest pace. A reading above 50 indicates expansion, while any score below the mark means contraction.

CORPORATE HIGHLIGHTS

- **WhatsApp set to roll out digital payment service in India**
- **Capital International buys 3 per cent stake in Intas Pharmaceuticals**
- **Dabur India sets up USD 37 million manufacturing plant in Tezpur, Assam**
- **ICICI Venture to buy Theobroma stake in USD 20 million deal**
- **Essar sells BPO company Aegis for USD 275-300 million**

WhatsApp set to roll out digital payment service in India

Facebook Inc owned instant messaging application, WhatsApp, is planning to enter the digital payment services segment in India by working towards launching person-to-person payments within the next six months, as per news website. The company is looking to hire a digital transactions lead with a technical and financial background in India and has an understanding of India's Unified Payments Interface (UPI) and BHIM payments app.

Capital International buys 3 per cent stake in Intas Pharmaceuticals

Capital International Private Equity Fund has acquired about 3 per cent of Intas Pharmaceuticals Ltd for USD 107 million from ChrysCapital Llc., according to two people aware of the development. The transaction values Intas Pharma at around USD 3.5 billion. ChrysCapital, which had a 6 per cent stake in Intas prior to the transaction, will continue to own the remaining stake.

Dabur India sets up USD 37 million manufacturing plant in Tezpur, Assam

Dabur India Ltd has commissioned a new manufacturing facility in Tezpur, Assam, spread over 30 acres and built at an estimated cost of USD 37 million. The plant, located in the Balipara Industrial area, will manufacture the entire range of Dabur's ayurvedic medicines, health supplements, hair oils, shampoos, toothpastes, skin care and home care products.

ICICI Venture to buy Theobroma stake in USD 20 million deal

ICICI Venture will invest USD 20 million to acquire a significant stake in Theobroma. The alternate investment arm of top private sector lender ICICI Bank and the leading bakery chain will ink a deal to formalise the transaction. The investment will mark the third transaction from the home grown PE firm's latest fund, 'India Alternate Fund 4'.

Essar sells BPO company Aegis for USD 275-300 million

Ruias-led Essar Group has announced the sale of its BPO company Aegis Ltd to Singapore-based private equity fund manager Capital Square Partners for an estimated USD 275 to 300 million. The sale marks Essar's complete exit from the BPO business. Net proceeds of this sale will be used to retire Essar's debt.