



MARKET MOVEMENT

Major Indices	April 13, 2017	April 21, 2017	% Change	Change
BSE Sensex	29,461.45	29,365.30	(0.33)	
NSE Nifty	9,150.80	9,119.40	(0.34)	

INDIAN ECONOMY AT A GLANCE

- **Legal Aid and Empowerment initiatives launched**
- **Government to give customs, excise duty benefits to boost solar rooftop sector**
- **Reserve Bank of India raises provisioning on telecom loans**
- **Double Taxation avoidance convention between India and Portugal amended**
- **Norms for states to fund infrastructure projects eased**

Legal Aid and Empowerment initiatives launched

The Ministry of Law and Justice, Government of India has launched three key legal aid and empowerment initiatives including 'Pro bono legal services', 'Tele law service' and 'Nyaya Mitra scheme'. The ministry also has plans of digitally transforming India's legal system, as digital inclusion holds the key to the country's march towards Digital India.

Government to give customs, excise duty benefits to boost solar rooftop sector

The Union ministry of new and renewable energy (MNRE) has decided to give custom and excise duty benefits to it for ensuring high growth. The move will not only bring down the costs of setting up projects but also that of generation. Solar power developers setting up grid-connected solar PV (photovoltaic) projects have been seeking "grant of duty benefits" (custom and excise duty) from the MNRE for installation of rooftop systems.

Reserve Bank of India raises provisioning on telecom loans

The Reserve Bank of India (RBI) on Tuesday asked banks to set aside higher provisioning for the telecom sector, starting from the current quarter. At present, the RBI mandates banks to provide 0.4 per cent as provision for a standard loan as 'regulatory minimum', indicating the provisions could be higher. The interest coverage ratio of the sector, now, is less than one. A ratio of less than one indicates that companies are not able to service their full interest from the operating profit, a clear indication of high stress.

Double Taxation avoidance convention between India and Portugal amended

The Union Cabinet has given its approval for signing of a Protocol amending the Convention between India and Portugal for avoidance of double taxation. The Protocol will also ensure prevention of fiscal evasion with respect to taxes on income. Once the Protocol enters into force, both India and Portugal would be able to exchange tax related information, which will help tax authorities of both countries to curb tax evasion.

Norms for states to fund infrastructure projects eased

The Union cabinet has allowed state government entities to directly tap bilateral agencies for resources. This will potentially improve India's infrastructure funding options. Not only will this give greater flexibility to state entities to fund infrastructure projects, it will also enable state governments to move some debt off their books. The new fundraising route will allow for direct borrowing by state public sector undertakings from Official Development Assistance (ODA) partners in countries like Japan, the US and Germany.

INDUSTRY WATCH

- **UP to set up food testing labs in every district of the state**
- **Mobile subscriber base reaches 895.25 million in March**
- **Disinvestment for 2017-18 kicks off with USD 185 million Nalco share sale**
- **Shipping firms to benefit from rising iron ore exports to China**
- **India solar transactions top global fund raise of USD 3.2 billion so far in 2017**

UP to set up food testing labs in every district of the state

The new Uttar Pradesh (UP) government will be setting up of laboratories for testing food samples in each of the 75 districts of the state. At present the state has only six labs to test some 18,000 food samples every year. Mobile food testing labs would be set up to check milk samples besides creating awareness among people in this regard. Also, food retailers would be encouraged to set up checking equipment in their shops.

Mobile subscriber base reaches 895.25 million in March

The mobile subscriber base of seven telecom operators, including Bharti Airtel and Vodafone, increased by 5.68 million in March to reach 895.25 million, according to industry data. The numbers include those of the latest entrant, Reliance Jio Infocomm as of December 2016.

Disinvestment for 2017-18 kicks off with USD 185 million Nalco share sale

The share sale of National Aluminium Company (Nalco) has received an overwhelming response from retail investors. This has helped the government kick off the new financial year's disinvestment programme. Small investors bid 3.2 times over while high net-worth individuals and institutional

buyers bid 1.8 times more for the Nalco shares, stock exchange data showed. The government mopped up USD 185 million by selling 9.2% in Nalco.

Shipping firms to benefit from rising iron ore exports to China

With maritime trade having improved on the India-China route, both in terms of volumes and freight rates, shipping firms are increasingly deploying large sized-vessels on this route. Whereas during September-October last year, there was not a single vessel getting loaded for China, about eight to 10 vessels have been loaded at Goa to get shipped to China in the last few weeks according to reports. In coming months, a significant movement is expected on this route as all iron ore exports will have to be done by June, before the monsoon halts activities for over three-four months.

India solar transactions top global fund raise of USD 3.2 billion so far in 2017

Indian renewable energy companies have raised over USD 1.62 billion during the first quarter of 2017 in transactions ranging from venture capital (VC) funding, debt financing, project funding and merger and acquisitions (M&A). Transactions in Indian solar and renewable energy companies made up for nearly half of the total global funding raised by solar companies around the world in the first three months of 2017. The global solar sector raised total corporate funding of USD 3.2 billion in the first quarter of 2017—nearly double of USD 1.6 billion raised in the fourth quarter of 2016.

CORPORATE HIGHLIGHTS

- **Narayana Hrudayalaya to buy Panacea Biotec's NewRise Healthcare for USD 1.8 billion**
- **Rolls-Royce opens defence service delivery centre in India**
- **LG plans to make India export hub**
- **Lighthouse Funds plans largest fund of USD 200 million third fund**
- **17 VC firms sanctioned USD 96 million from government start-up fund**

Narayana Hrudayalaya to buy Panacea Biotec's NewRise Healthcare for USD 1.8 billion

Bengaluru-based hospital chain Narayana Hrudayalaya Ltd has acquired Gurgaon-based multi-speciality hospital NewRise Healthcare Pvt. Ltd from drug maker Panacea Biotech Ltd for USD 1.8 billion. The 230-bed hospital is in the final stages of completion and is likely to be commissioned within the next nine months. The acquisition is expected to strengthen its position in the north. Narayana Hrudayalaya currently has a network of 23 hospitals and seven heart centres across India.

Rolls-Royce opens defence service delivery centre in India

Aircraft engine maker Rolls-Royce Holdings Plc has opened a new defence service delivery centre (SDC) in Bengaluru. This is the first outside the US and UK, to provide localized engineering support and solutions and reduce turnaround time for the Indian Air Force, Indian Navy and state-owned Hindustan Aeronautics Ltd (HAL). Rolls-Royce is looking to improve capability and provide faster

front-line support for over 750 engines in a range of aircraft used by the defence as well as commercial aircraft such as the C-130J, Hawk advanced jet, Embraer and Jaguar, among others.

LG plans to make India export hub

South Korean electronics major, LG, is planning to make India as its export hub. This comes on the back of improved ties between South Korea and India, while its exports from China are declining due to existing tension between South Korea and China. LG has two manufacturing plants in India, through which it exports to the Middle East and African countries, and the company is exploring global markets to increase exports from India. In 2015-16, LGEI had sales worth USD 3.41 billion, and 10 per cent of its sales are from exports.

Lighthouse Funds to raise USD 200 million for third fund

India-focused Lighthouse Funds is to raise its third and largest private equity (PE) fund of USD 200 million for its third fund. Lighthouse typically invests in the range of USD 5-20 million per transaction in consumer-facing firms. Lighthouse Funds currently has a corpus of approximately USD 235 million. The PE fund has raised two funds of USD 100 million and USD 135 million. It has invested in 17 companies since it raised its first fund in 2009.

17 VC firms sanctioned USD 96 million from government start-up fund

In the year ended March, for the first full-year of the government's Funds-of-Funds scheme, 17 VC funds were sanctioned USD 96 million from the Fund-of-Funds corpus. These funds in turn invested in 62 start-ups. These funds included Mumbai-based VCs Kae Capital and Orios Venture Partners, led by Sasha Mirchandani and Rehan Yar Khan respectively, early-stage investor Unicorn India Ventures, Ideaspring Capital, Pi Ventures and Stellaris Venture Partners, among others.