



MARKET MOVEMENT

Major Indices	April 22, 2017	April 28, 2017	% Change	Change
BSE Sensex	29,365.30	29,918.40	1.88	
NSE Nifty	9,150.80	9,304.05	1.67	

INDIAN ECONOMY AT A GLANCE

POLICY WATCH

- 16 states opt for Government's e-procurement platform
- Government has made Geo-location mandatory for tangible assets
- CBDT major relief given to industrial park and SEZs
- India and Sri Lanka signed a pact to boost economy
- Additional customs duty has removed on jute import from Nepal

16 states opt for Government's e-procurement platform

16 states in India have opted the Government eMarketplace ('GeM') the newly-established web tool to bring transparency in government procurement. **Currently, there are 5,454 sellers and 174 service providers** on GeM. Madhya Pradesh has already issued orders to use the portal. Other states such as Maharashtra, Haryana, Rajasthan and Assam are expected to move in the direction soon, with opposition-ruled Odisha and Karnataka are also expected to join.

Government has made Geo-location mandatory for tangible assets

Government while seeking to establish stringent norms for verifying the details of properties recorded with the Registrar of Companies as 'charges' for a company **has made it mandatory, for companies in India, to furnish the geo-location data of tangible assets appearing** on the balance-sheets. The details i.e. latitude and longitude must be part of the agreement(s) between companies and lending institutions to have more accurate verification process. Through this provision, the data of assets henceforth would be verifiable online.

Relief given to Industrial parks and Special Economic Zones ('SEZs')

Central Board of Direct Taxes ('CBDT') has clarified that **income from letting out buildings or developed space** along with other amenities in an Industrial Parks or SEZs would be treated as "business income" and not as "income from house property". This stance would come as relief for

taxpayers as rental and lease income can now be counted for computation of tax breaks by such industrial parks or SEZs.

India and Sri Lanka signed a pact to boost economic ties

India and Sri Lanka has signed a pact to boost economic ties for “Cooperation in Economic Projects”, which outlines the agenda for bilateral economic cooperation in the foreseeable future. The pact also provides a framework to identify the infrastructure projects where India can invest. India and Sri Lanka has prioritized to develop the Trincomalee oil storage tank farm together. Sri Lanka and India also have plans for an Indian LNG plant in Trincomalee which could also be a joint venture with Japan.

Additional customs duty are removed on jute import from Nepal

India has withdrawn additional customs duty levied on import of jute products from Nepal whereas anti-dumping duty will be continued. Nepal has a minuscule 150 tonnes a day capacity to produce jute goods. This is 2-3 % of India’s annual capacity of 1.9 million tonne. Nepal has 11 jute mills of which six are operational. Nepalese jute industry is now treated at par with Bangladesh.

INDUSTRY WATCH

- **Foreign investment raises to USD 3 billion in March 17**
- **Natural rubber output increases 23 % in 2016-17**
- **Wind power generation capacity has crossed 32 GW mark**
- **Indian Companies post 31 % annual growth rate in UK**
- **Housing Sales up 13 % in January- March at 51,700 units**

Foreign investment raises to USD 3 billion in March 17

Foreign Direct Investment (‘FDI’) by Indian companies in their overseas ventures has increased over two fold to USD 2.99 billion in March 2017 as compared to USD 1.42 billion in March 2016. The investment came in the form of equities of USD 1.99 billion, loans of USD 742.60 million and issuance of guarantee worth USD 251.40 million.

Natural rubber output increases 23 % in 2016-17

Natural rubber production has surged by 23 % from a year earlier to reach 690,000 tonnes. It has surpassed the target of 654,000 tonnes set by the Rubber Board for 2016-17. The exports have also touched a four -year high of 20,012 tonnes from meagre 865 tonnes in 2015-16. Consumption in the country has recorded a 5 % increase to reach 1,041,475 tonnes for the year.

Wind power generation capacity crosses 32 GW mark

According to Indian Wind Turbine Manufacturers Association (IWTMA), last fiscal, **India's installed wind power generation capacity has crossed 32 GW**. The government is aiming at target of 60 GW by 2022. IWTMA has projected 8.8 % growth in wind power installations to 546.1 GW in 2017 from 486.8 GW in 2016 across the globe. Globally, India stands at fourth position after China, US and Germany, in terms of wind capacity installation.

Indian Companies post 31 % annual growth rate in UK

55 of the fastest growing Indian companies in UK have achieved an average annual growth rate of 31 %. Nearly 800 Indian companies based in the UK have combined revenue of USD 61.5 billion and Indians are second-largest employers. Datamatics Infotech Ltd has topped this year's list with a growth rate of 103 %. The business services sector entered top three positions with annual growth rate at 11 % up from 6 % in 2016.

Realty sector up 13 % in January- March 2017 at 51,700 residential units

Sale of residential units in India increased 13 % quarter-on-quarter to 51,700 units in nine major cities during January-March 2017. The nine major cities are Ahmedabad, Bengaluru, Chennai, Gurgaon, Hyderabad, Kolkata, Mumbai, Noida and Pune. The growth is witnessed on account of demand revival post demonetization. Hyderabad and Chennai has witnessed a marginal appreciation of 3-5 % per annum.

CORPORATE HIGHLIGHTS

- **USD 1.18 billion settlement is approved in Tata Docomo case**
- **Tata Power signs agreement for power distribution in Ajmer**
- **SSI acquires Czech Republic's Nanotherapeutics**
- **BHEL gets export order to setup plant in Bangladesh**
- **JISL has signed contract with Karnataka Government**

USD 1.18 billion settlement is approved in Tata Docomo case

Delhi High Court has ruled Tata Sons to pay NTT Docomo USD 1.18 billion arbitration award due upon termination of their telecom joint venture in India. The court dismissed the Reserve Bank of India ('RBI') intervention in the dispute after RBI failed to back its opposition to the transaction on grounds that it would amount to a transfer of shares in violation of the law.

Tata Power signs agreement for power distribution in Ajmer

Tata Power has executed a distribution franchisee agreement for electricity distribution in the city of Ajmer, Rajasthan. Tata Power has won bid for distribution franchisee of Ajmer circle and has set up a Special Purpose Vehicle called TP Ajmer Distribution to carry out the business. It has signed an agreement with Ajmer Vidyut Vitran Nigam Limited to cater to the power requirements of customers.

SSI acquires Czech Republic's Nanotherapeutics

Serum Institute of India ('SII') has acquired Czech biopharma Nanotherapeutics for USD 78.43 million. This acquisition will increase injectable Polio by 4 times to a total of 200 million doses by 2019, making SII the largest injectable non oral Polio vaccine manufacturer in the world. This is second overseas acquisition by company since 2012 when it bought a plant in Holland.

BHEL gets export order to setup plant in Bangladesh

Bharat Heavy Electricals Limited ('BHEL') has received its largest ever export order valued at USD 1555.5 million for setting up a thermal power project in Bangladesh. BHEL scope of work in the project includes design, engineering, manufacture, supply, construction, erection, testing and commissioning of the 1320 MW thermal sets with ultra-supercritical parameters on turnkey basis.

JISL has signed contract with Karnataka Government

Jain Irrigation Systems Ltd ('JISL') has signed contract worth USD 88.5 million with Karnataka Government for Poorigali Integrated Micro Irrigation Project. The project is based on the concept of 'resource to root' aimed at providing more healthy crops to farmers, will cover 25,317 acres of farm area in Karnataka.